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Report	<del>Weekly Legislative Report, 13 pp.</del> <i>opened per RAC NLC-126-13-34-1-9, 6/12/13</i>	7/29/78	A
Memo	<del>Rick Hutcheson to Michael Oksenberg,</del> <del>w/attachments 7 pp.,</del> <del>re:Asian American reception</del> <i>opened per RAC NLC-126-13-34-2-8, 6/12/13</i>	7/31/78	A
Memo	Warren Christopher to Pres. Carter, w/attachments 52 pp., re:away from reactor storage  <i>2 pp. declassified per RAC NLC-126-13-34-3-7, 6/12/13</i>	7/18/78	A

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THE WHITE HOUSE  
WASHINGTON

August 1, 1978

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Please notify affected agencies.

Rick Hutcheson

cc: Jim McIntyre

VIETNAM VETERANS

	FOR STAFFING
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	LOG IN/TO PRESIDENT TODAY
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*Stn - pls notify affected agencies*

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	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE  
WASHINGTON

7/31/78

Mr. President:

Congressional Liaison requests that you make no decisions until you meet with the Congressional Caucus of Vietnam Veterans tomorrow.

Other agency views are noted in Stu's memo.

Rick

THE WHITE HOUSE

WASHINGTON

July 31, 1978

*Stu*

*Stu*

*J*

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: VIETNAM-ERA VETERANS PRM

Beginning last winter the Departments and Agencies of the Federal Government who provide support and services for Vietnam-era Veterans have been reviewing the status of these ex-servicemen and women, reviewing their own programs and preparing recommendations for improved performance.

Attached you will find the final PRM background papers which detail the findings, policies considered and recommendations by the agencies which participated in the Vietnam-era Veterans Policy Review. We have indicated, where appropriate, any agency opposition to proposed options.

This memorandum will summarize the background, findings and recommendations and present the options on those issues for which Presidential decisions are required. Backup material, should you require it, is provided for at Tab A. It is not necessary that you read this supplementary document.

You will be meeting with the Congressional Caucus of Vietnam Veterans, headed by Congressman David Bonior, next Tuesday morning at 9:30. They have requested this time with you to discuss the PRM before you make your final decisions. Their support is critical for our veterans preference reform as well as for our upcoming battle against the very costly veterans pension bill. The bill, passed by the House and soon to be passed by the Senate, calls for billions of dollars, beyond our request, to be spent on needy, older veterans. Money spent on these older veterans is money that cannot go to helping younger veterans. We will provide you with a briefing memo on Monday prior to your meeting that will outline the concerns of the Caucus.

## Background

The special circumstances facing Vietnam-era Veterans -- public controversy over the war, the role of American arms in a conflict without clear battlelines, the terrible nature of many of the wounds suffered and survived in Vietnam (300% greater loss of lower extremities than in any previous war) -- has made the status of the returned veteran a continuing issue. The media have examined Administration policy in this area very critically, repeating the theme that not enough is being done to pay the national debt to those who served.

In the written State of the Union message the Administration indicated that it would undertake a government-wide review of the status of Vietnam-era Veterans and the programs designed to serve them. The process began in mid-winter and is now drawing to a conclusion with the active participation of the VA, DOL, DOD, DOJ, OMB, CEA, DPS and HEW. We have conducted this review with an eye to improving existing programs and avoiding, wherever possible, significant requests for additional funds.

## The Findings

Overall, our study and findings show that the Vietnam-era Veterans, as a class, are doing quite well and have re-adjusted successfully. Of course, a small but visible cohort of VEV's, the minority, disabled and disadvantaged, have not shared in the success of their colleagues. There are no lack of programs available to these VEV's, but what is clearly required is better targeting, greater coordination, and enforcement of current policies as written. Also, the public's poor perception of VEV's needs to be improved but it is a most difficult problem to define and attack.

In brief the findings indicate that the unemployment problems of Vietnam-era Veterans have eased very substantially from the high level that existed when the Administration took office. This improvement is surely due largely to the overall improvement in the economy, but the fact that most Vietnam-era Veterans are now doing somewhat better than non-Veterans of the same age and background indicates that our programs have been of significant assistance.

Vietnam-era Vets 20 to 24 have in the past faced unemployment rates considerably higher than non-Vets; June 1978 figures show that VEV's 20 to 24 had a 9.4% unemployment rate while non-Vets were at 7.9%. June reversed a recent trend of VEV's 20-24 having lower rates than non-Veterans 20-24. However, when the age group is expanded to 20-34, the Veteran rate is 4.3% to the non-Veteran rate for that age group of 5.5%.

However, for minority and disabled Veterans the employment situation remains very grim. Black Vietnam-era Veterans face unemployment rates of 14%, and 20-24 year old Black Veterans are reported to have a 29% unemployment rate in 1977. Despite rapid improvement this year, the rates still remain unacceptably high. For disabled Veterans, the unemployment rate is estimated as high as 50%, but statistically accurate information is not available.

There is a clear need to target employment and employment assistance programs on those Veterans most in need.

In income, Census Bureau data documents that Vietnam-era Veterans are doing significantly better than comparable non-Veterans (median personal income of 20 to 34 year old Vets stood at \$11,100 in 1976 vs. \$8,100 for comparable non-Vets).

Use of the G.I. bill and other benefits by VEV's exceed the experience in previous wars. In WW II some 51% of Veterans used the G.I. bill, 43% of Korean war Vets did so, but 65% of the Vietnam-era Vets have taken advantage of the G.I. bill program.

The nation has spent nearly \$25 billion on the G.I. bill for Vietnam-era Veterans vs. \$14 billion in current dollars for WW II Vets and \$4.5 billion for Korean war Veterans. However, minorities and those lacking a high school diploma have not taken full advantage of the G.I. bill. For them outreach efforts and consideration of an extension of eligibility are recommended.

There is in education and in employment a clear need to take steps to assure that disadvantaged Veterans are given every opportunity to take advantage of programs that can provide them assistance.

The discussion which follows highlights the major recommendations for each of the five parts of the PRM and indicates those issues which require a decision by you. The options considered for each of the six parts are included under Tab A in more detail. It is not necessary to read this material.

#### PART ONE: PROFILE DATA

Statistical knowledge of Vietnam-era Veterans is sketchy and inconsistent, although some useful data will become available because of previously mandated studies. We recommend:



- o The establishment of an interagency Veterans Federal Coordinating Committee, composed of representatives of seven agencies, operating under the direction of the Domestic Policy Staff and OMB, and responsible for improving the delivery of services to those VEV's facing readjustment difficulties and implementing other PRM directives.

✓  
\_\_\_\_\_ Approve (Consensus) \_\_\_\_\_ Disapprove

- o Increase mental health research funding through reallocated NIMH money.

✓  
\_\_\_\_\_ Approve (Consensus) \_\_\_\_\_ Disapprove

There is consensus among PRM participants on these recommendations and no controversies involved.

## PART TWO: EMPLOYMENT OPPORTUNITIES

While the overall employment picture for Vietnam-era Veterans is encouraging, the unemployment problems of minority and disabled Veterans are cause for continued serious concern and attention. These findings have led us to undertake initiatives and make recommendations which will result in improving the capacities of existing delivery systems and ongoing programs to better serve the Veterans population identified as most in need.

Chief among these initiatives and recommendations are the following:

- o undertake a comprehensive review and seek improvements in the overall system for delivery of employment services to veterans;
- o implement a variety of actions to improve the participation of Veterans in all CETA programs;
- o continue to operate a national HIRE program for Veterans at the \$40 million level;
- o implement a \$90 million HIRE II program through CETA prime sponsors exclusively for Veterans with continued emphasis on priority service to the disabled and Vietnam-era Veteran;

Note: These HIRE programs will be paid for with carry-over funds from the original HIRE effort.

- o seek authority from Congress to obligate HIRE funds beyond September 30th of this year. This will permit greater flexibility in use of these funds for needy Veterans;
- o continue to support special outreach programs for Veterans operated by NAB and selected community-based organizations;
- o improve coordination of Department of Labor and Veterans Administration employment related programs.

The above initiatives and recommendations have the support of all participants in the PRM process.

\_\_\_\_\_ ☒ Approve all recommendations (Consensus) \_\_\_\_\_ ☐ Disapprove

There is one issue of disagreement between the Department of Labor and the Domestic Policy Staff. This concerns the level at which to continue the Disabled Veterans Outreach Program (DVOP).

DVOP is a successful outreach program which currently employs 2000 disabled Veterans to provide employment assistance to other disabled Veterans at an annual cost of \$30 million. To date 26,000 disabled Veterans have been employed. Funding for this program was originally part of the economic stimulus package.

DOL recommends gradually phasing down the program to the 1500 staff level in FY 79, using \$23 million in FY 78 carryover funds and studying the actual level of need for FY 80.

The Department believes that funding the DVOP program at the 1,500 personnel level will:

- o continue the program at a substantial level while studying the actual level of need for FY 1980;
- o provide an adequate level of service for the population of unemployed disabled veterans;
- o allow for targeting of the remaining resources on those localities with the greatest concentration of unemployed disabled Veterans.

DPS recommends maintaining the current level of 2000 using \$7 million of available HIRE funds in addition to \$23 million in FY 78 carryout funds. OMB supports the current level providing that no additional funds are required. Maintaining the program at the current level will:

- o demonstrate the Administration's strong support for a successful outreach program targeted to serve Veterans with the severest employment programs;
- o avoid possibility of laying off disabled Veterans now engaged in outreach efforts;
- o permit the program to operate at current levels while a study is undertaken to determine the most appropriate level of support;
- o utilize resources already available and appropriated by Congress for Veterans for a program with wide public support.

✓  
\_\_\_\_\_ Support 2000 level \_\_\_\_\_ Support 1500 level  
(VA, DPS, OMB) (DOL)

### PART THREE: VETERANS SERVICES AND BENEFITS

Veterans benefits, especially for VEV's, continue to be generous but need to be targeted more to the VEV's most in need. In some cases, programs need to be restructured to meet current and persistent problems. As you have often stated, Veterans programs in general should be geared primarily toward the service-connected disabled. While drug abuse was a serious problem for some time, alcohol abuse is now growing more rapidly while drug problems decline. The G.I. bill, which for VEV's was more generous in many ways than for soldiers of past wars, has been constantly criticized by VEV groups for its ten-year delimiting date, which is fast approaching for most VEV's. Every other year, however, a cost of living increase is voted for the G.I. bill, the last one, a 6.6% increase, was approved and signed by you last year. What is needed, however, is better outreach efforts for VEV's who need, but have not used, their G.I. bill benefits. The housing programs offered by the VA continue to be popular, but participation is endangered by escalating housing prices across the country.

The recommendations requiring your decisions are:

- o Seeking legislation, based on a thorough study mandated by Congress, to improve the VA vocational rehabilitation program for service-connected disabled VEV's. The current VA program is based on a 1943 model and needs major updating. Legislation would have been forthcoming without this PRM. OMB is now ready to support this recommendation; possible Congressional legislation on this issue will be significantly more costly than our proposal. Cost of the improvements would be approximately \$10 million.

✓ Approve (Consensus) \_\_\_\_\_ Disapprove

- o Designating the VA as the lead agency in the coordination of Federal rehabilitative health research activities for Veterans and non-Veterans. This is an initiative originally proposed by the Office of Science and Technology Policy. HEW would probably prefer to be the lead agency because they see VA efforts concentrating on adults; but the VA has done the major, pioneer work in this field.

✓ Approve (OMB, DPS, VA) \_\_\_\_\_ Disapprove (HEW preference)

- o Submit legislation to the 96th Congress to extend the delimiting date on the G.I. bill for Veterans defined as in need and/or educationally disadvantaged as determined by current VA benefit studies.

✓ Approve (Consensus) \_\_\_\_\_ Disapprove

- o Increase outreach efforts to those VEV's who need G.I. bill training, but have not yet used their benefits. Max Cleland has initiated "Operation Boost," a program designed to find these kinds of Veterans in low G.I. bill participation states, and make them aware of the approaching delimiting date.

✓ Approve (Consensus) \_\_\_\_\_ Disapprove

- o Add five more VA substance abuse treatment units at a total cost of \$1 million. Except for a public opinion survey proposed on page 10, this would be the only additional outlay resulting from this PRM; the \$10 million VA Vocational Rehabilitation program would have been advanced by us anyway. OMB opposes this option as unnecessary and too costly. They feel that the current number of centers is adequate, and recommend that VA should reorganize the separate drug and alcohol abuse treatment units into substance abuse units. Fifteen additional units have already been added for FY 79; this recommendation, if approved, would bring the total to twenty. These units would be established in the largest urban areas currently lacking treatment units. This recommendation is very important to Max.

\$ 1 million OK

☒

Approve (VA, DPS)

☐

Disapprove (OMB)

- o Issue a directive to all Federal agencies to make greater use of the Veterans Readjustment Appointment (VRA). We have already submitted legislation to liberalize and extend this authority to June 30, 1980. The bill has passed both Houses of Congress in slightly different forms.

☒

Approve (Consensus)

☐

Disapprove

#### PART FOUR: MILITARY STATUS

The Administration's discharge review and upgrading programs, despite our enlightened special upgrading program, has been heavily criticized within the VEV community. We are severely criticized for signing P.L. 95-126, and subsequently, for not submitting corrective legislation. The important recommendations we have made are:

- o Facilitate assistance available to former servicemen seeking discharge review. The DOD has already agreed to provide indexes of discharge review/correction board cases to selective regional offices of the Veterans Administration.

- o Submit legislation as you stated you would when signing P.L. 95-126 in October 1977, to alleviate the bill's harshest provision: an across-the-board barring of benefits to combat Veterans discharged because of unauthorized absences of 180 days or more. It is estimated that no more than 1000 VEV's are affected. Organized VEV groups, and those who supported amnesty as a policy to heal the wounds of war, feel that denying benefits to combat veterans with upgraded discharges is unjust. This has been the administration's position. We seriously considered vetoing P.L. 95-126 over the issue. Congressman Teague, who led the opposition to providing benefits to upgraded veterans, is retiring. However, House Veterans Affairs Chairman, Ray Roberts, and the old-line veterans organizations are opposed. We recommend introducing this legislation in the 96th Congress. Bob Lipshutz's office approves. This would answer one of the most heated criticisms of the Administration from VEV groups.

☒ Approve (VA, OMB, DPS) ☐ Disapprove

There is consensus among PRM participants on these recommendations.

#### PART FIVE: INCARCERATED VETERANS

The greatest failing in this area is the lack of any hard data on incarcerated Veterans. Many of the Veterans in jail are eligible for benefits of which they are not now aware. We have recommended these new initiatives that require no additional outlays:

- o The LEAA National Criminal Justice Information and Statistics Service should seek, obtain, and compile accurate data about incarcerated Veterans.
- o LEAA and the Bureau of Prisons should develop an information dissemination program for criminal justice system officials.
- o Maintain VA Incarcerated Veteran Outreach Program over the next few years.

There is consensus among the participating PRM agencies on these recommendations.

☒ Approve recommendations (Consensus) ☐ Disapprove

#### PART SIX: INITIATIVES - RECOGNITION FOR VIETNAM-ERA VETERANS

One of the hardest problems to attack is the apparent negative perception of VEV's by the public. We say apparent because, to date, no really broad survey has been taken on the public's attitudes. The "bad image" problem of VEV's may be improved through public recognition of VEV contributions. We have recommended and all agencies approve:

o Burial of the remains of an unknown VEV in Arlington's Tomb of the Unknown Soldier. Incredibly, no soldier killed in Vietnam is buried there. We might consider entombment on Veterans Day and using the occasion and other events to focus attention on the Vietnam Veterans and provide recognition for outstanding contributions.

o Accord the VA, through an executive order, the status of a Cabinet Agency only for purposes of attending Cabinet meetings. Because of the VA's huge size and budget, it should be included regularly at Cabinet meetings. Moreover, since the heads of GSA, EPA, and CEQ attend Cabinet Meetings, there is ample precedent.

- o Instituting a survey of public attitudes toward VEV's. This would be a quick, valuable, and inexpensive (\$500,000 or less) study. The study could go a long way toward identifying real areas of concern as well as to accurately portray the public's overall support for Veterans' benefit programs generally.

✓  
\_\_\_\_\_ Approve (Consensus)

\_\_\_\_\_ Disapprove

o No Viet Nam  
unknown soldier  
exists - rule  
(80%) can be  
changed. o

TAB A



## SUMMARY OF ISSUES AND RECOMMENDATIONS

### PART ONE: PROFILE DATA

#### A. Summary

The findings on the Status of Vietnam-era Veterans (VEV's) are necessarily limited by the data available. Where available it usually is in the aggregate and most often does not differentiate among veterans by such variables as socio-economic characteristics, draftee or volunteer, combat, or non-combat status. Given those limitations, however, an examination of available information indicates that Vietnam-era veterans as a group today compare favorably with veterans of other wars and with non-veteran peers. These facts often contrast sharply with popular media images and with what are frequently assumed to be community attitudes of unappreciation, scorn, or the perception that VEV's are unstable, drug addicted "walking time bombs."

There are two important qualifications to those findings, however. First the comparative advantage of VEV's today is generally of recent origin; there is no assurance that it will continue particularly if the economy "sours." Second, certain identifiable VEV subgroups continue to experience significant problems -- principally minority, disabled and the disadvantaged. Consequently, the study and options have focused on identifying those VEV's who continue to have problems and on developing methods to coordinate and target available resources.

#### 1. Profile Data

- \* There are almost 9 million VEV's which constitute 29% of the nation's veteran population of 30 million. Almost 3 million or a third of those served in Vietnam.
- \* Nearly 57,000 died in Vietnam; there are 512,000 VEV's who are service-connected disabled veterans.
- \* Nine percent of VEV's are black, 5% are Hispanic and 2% are women.
- \* Twenty percent of all VEV's discharged were not high school graduates as compared with World War II and Korean conflict rates of 26% and 25%.
- \* 97% of all VEV's received discharges under honorable conditions which is closely similar to veterans of

previous wars. Note, however, that while blacks comprise 9% of VEV's they received 19% of the "Bad Discharges." Blacks and the educationally disadvantaged also were disproportionally represented in combat units.

## 2. Employment.

VEV's who had been out of the labor force tended to be the last hired and were strongly affected by the recession. For a considerable period of time VEV's, particularly those between 20 and 24, experienced a significantly higher rate of unemployment than their non-veteran peers. In the past year employment rates for VEV's have improved significantly both in absolute and comparative terms. For the first quarter of 1978, VEV's had a 5.3% unemployment rate as contrasted with a comparable non-veteran rate of almost 6.9%. Young VEV's 20 to 24 experienced a rate of 6.9% versus 7.7% non-vet rate. Minority, Hispanic, disabled and disadvantaged VEV's have not enjoyed the same employment success. Black VEV's have an unemployment rate (14%) three times of white VEV's with young black vets (20-24) experiencing an unemployment rate of 31%. Hispanic VEV's experience a 9% unemployment rate. Accurate employment data about disabled veterans are currently unavailable, but are conservatively estimated at twice that of VEV's in general, ranging upward to 30 to 50% for the more seriously disabled.

## 3. Income.

Census Bureau data for 1976 disclose that VEV's individually and as member of the family units had significantly higher income than their non-veteran counterparts:

- \* VEV's 20 to 34 had median personal income \$11,100 versus \$8,100 for similarly aged non-vets.
- \* Family income for VEV's was \$15,800 versus \$14,600 for non-veterans.
- \* Proportionally, there were fewer VEV's with personal income less than \$7,000 (26% v. 42%) and proportionally more in the \$10-20,000 or higher income bracket (57% v. 39%) than non-veterans.

## 4. Psychological and Social Adjustment.

Although general psychiatric diagnoses for VEV's are proportionally representative, VA medical treatment data

reveal that the instance of alcohol abuse is rapidly rising among VEV's. While drug usage increased substantially among VEV's while serving in Vietnam, it had generally declined to pre-Vietnam usage rates (or lower) within three years following such Vietnam service. VEV's have higher rates of psychotic diagnosis and of suicide. Although hard data is not available it is estimated that up to 20% of VEV's have low grade readjustment problems, sometimes popularly referred to as Post-Vietnam Syndrome (PVS).

## B. Issues

As noted previously, available VEV data varies widely. Consistent with general congressional policy, the VA usually maintains data only by periods of service and does not differentiate by such variables as socio-economic characteristics or whether the veteran served in combat or not. Other agencies which provide services to VEV's frequently have either no veteran participation data or if they do it is not available by periods of service. One consequence is that not much is known about multiple use of federal benefits by eligible VEV's (e.g., which veterans are eligible for and make use of various education, health, employment or income assistance programs offered by VA, HEW, and DoL). There is also a lack of knowledge about what programs are needed for VEV's. The President's Commission on Mental Health concluded that "we simply do not know enough to distinguish the cause of mental health problems of Vietnam era veterans from the causes of similar problems among civilians" and has urged increased research into the psycho-social needs of those who fought the war. Still another problem is that there is little validated data on the attitudes of the country toward VEV's. The last such survey of community perception and employer attitudes was undertaken in 1971 by Louis Harris and Associates.

This lack of information as to needs and benefit usage complicates an already difficult task of coordinating existing governmental services in order to target available resources to VEV's in need. The only existing mechanism in this regard is the interagency Jobs for Veterans (JFV) advisory committee reconstituted in 1974 at the Assistant Secretary level as a subgroup of the Domestic Council Committee on Veterans Services. The JFV committee, with membership consisting of VA, DoL, HEW, Department of Commerce, DoD, CSC, and the National Alliance of Businessmen, has been concerned chiefly with increasing federal employment related services to veterans. Its sole function has been to set program "goals" for various agencies. It has met infrequently since 1976; there has been no assessment of FY 1978 goals and it has yet to set any FY 1979 goals. Other deficiencies of the JFV apart from its narrow employment focus are that it has done little either to

obtain better information on VEV needs and program usage or to foster greater program linkage within the federal government.

C. Current and Proposed Initiatives

- \* A \$2 million study of the personal, social and psychological adjustment of VEV's, together with a study of the efficacy of the GI Bill, is being contracted for by VA. Mandated by P.L. 95-202, these studies are to be delivered to Congress by October 1979.
- \* A current population survey being undertaken by the Bureau of the Census should produce additional information about VEV's later this year.
- \* The VA has an on-going Benefits Longitudinal study which provides information on VA benefit usage over an extended period of time broken down by race, rank, educational attainment and sex. The study is intended to aid in the assessment of program effectiveness. At present the study has been halted by the operation of provisions of the Tax Reform Act of 1976, which effectively prevents needed address disclosure by IRS to VA.
- \* It is our understanding that BLS is in the process of revising its survey tabulation and will publish employment information on VEV's age 20 to 40 rather than the current 20 to 34 span. This will be done in recognition of an aging VEV population.

D. Options

1. Establish a veteran data analysis center for inter-agency studies. This center would facilitate integration of existing data bases of various federal agencies and propose establishment of new ones as the need arises at a cost of about \$750,000 per year. Its advantage would be better information to enable targeting of resources. Disadvantages are that it is: (a) difficult to achieve; (b) has serious Privacy Act problems; (c) possible "big brother" implications; and (d) other information sources are available.
2. Submit legislation to permit address disclosure by IRS for the Benefits Longitudinal Study. An unintended effect of the Tax Reform Act of 1976 has been that it has precluded VA's benefit longitudinal study and other benefit studies intended to assess program usage and effectiveness. A limited

amendment to permit IRS address disclosures for identified individuals to another federal agency would significantly aid in policy decisions affecting benefit expenditures of large magnitude. Address disclosure would permit the VA to contact VA education loan defaulters; the default rate is 47% and most of the defaulters cannot be located. HEW has made a similar request. IRS strongly opposes address disclosure. Decision on this option should await the outcome of the Privacy PRM, currently underway. A disadvantage might be that although it is limited to address disclosure only, some might regard it as a possible breach in the integrity of taxpayer data.

3. Establish an interagency Veterans Federal Coordinating Committee (VFC) under joint oversight of the White House Domestic Policy Staff and OMB. The VFC would replace the limited and inactive Jobs for Veterans Committee. It's primary responsibility would be to coordinate the implementation of Presidential PRM directives and establish appropriate timetables for action. The committee would also examine the readjustment problems still experienced by some VEV's, the problems of disabled veterans, and other significant problems through: exploring ways to obtain better information on program usage; fostering greater program linkage both within the federal government and where appropriate with State and local and private programs; and setting goals and timetables for various agencies to deliver service to veterans. Its advantages would be that it would facilitate coordination and packaging of benefits in a manner which would bring full government resources to bear on meeting the problems of VEV's and disabled veterans under White House direction. Serving on this committee would be representatives from: VA, DOL, HEW, Department of Commerce, DOD, CSC, and CSA.
4. Continue the present Jobs for Veterans Committee. The principle advantage of this option is that there is an existing mechanism which could be utilized. Disadvantages are that (a) its focus (employment) is limited, and (b) it is not regarded favorably by the veteran constituency today because of its inaction.
5. Announce a President's Week on Vietnam era veterans. Such an event would give high visibility of the concern of the President for VEV's. Veterans of other war periods, however, might resent the exclusive focus on VEV's.

6. Increase funding for VEV mental health research.  
The President's Commission on Mental Health recently recommended increased research on the needs of VEV's. Less than 10% of the current VA research budget is allocated to mental health related projects and the National Institute of Mental Health (NIMH) has minimal funding for projects specifically targeted to VEV's. As noted, VA is committing \$2 million to additional research on the physical, psychological, vocational and educational aspects of veterans readjustments to civilian life and will explore making efforts to reallocating additional funds to such research. A similar commitment by NIMH to fund one or more VEV oriented mental health research proposals could be made.

E. Recommendations

We recommend adoption of options 3 and 6. Establishment of a Veterans Federal Coordinating Committee with an expanded role and membership, together with the information obtained from (a) benefits longitudinal study, (b) survey of public attitudes, and (c) increased mental health research should enable the Administrator to coordinate and target resources more effectively to those VEV's who need assistance.

PART TWO: EMPLOYMENT STATUS OF VIETNAM-ERA VETERANS

I. Summary

Since this Administration took office in January of 1977, unemployment of Vietnam-era veterans has been cut sharply. The extent of the improvement is illustrated by comparing the present employment status of Vietnam-era veterans with that prevailing at the time this Administration assumed office:

In January of 1977 over 490,000 Vietnam-era veterans 20-34 were unemployed for a rate of 7.6 percent; by May of 1978 the number of unemployed veterans was down by almost one-half -- to 248,000 -- and the rate had been cut to 4.0 percent -- one of the lowest for any demographic group.

In January of 1977 young veterans, age 20-24 years, were in a particularly difficult situation with an unemployment rate of almost 17 percent; by May of this year the rate was down to 6.9 percent.

This decrease in the unemployment rate has been helped by the Administration's economic stimulus program, and the establishment of the Disabled Vietnam-era Veterans Outreach Program (DVOP). Specific measures taken by this Administration include:

The hiring of over 160,000 veterans (including Vietnam-era) for public service jobs as part of the Administration's Economic Stimulus program.

Actions to promote employment of VEV's in federal agencies, including a hiring goal of 70,000, a legislative request to liberalize and extend VRA appointment authority, and proposed reforms in civil service veterans preference rules.

In spite of these advances much remains to be done. Veterans from minority groups and the disadvantaged have not shared in this progress; the problems of the disabled veteran are particularly complex and severe; and there are a number of areas in existing programs which can be improved to yield more effective services to veterans.

The problem of the minority veteran, because it has responded to neither economic improvement nor existing programs needs to be given special attention. While the white veteran unemployment rate declined from 6.6 to 4.8 percent between the fourth quarter of 1976 and the fourth quarter of 1977, the black veteran unemployment rate increased from 14.0 to 16.2 percent. While there

has been some improvement in the first quarter of 1978, the black rate remains disproportionately high particularly for the young black veterans who have an unemployment rate of over 30 percent.

Two basic systems -- CETA and the Employment Service, plus the (Federal) Veterans Employment Service -- provide and deliver employment services to veterans. ES is responsible for establishing veterans service indicators, operating the mandatory listing program, and utilizing Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach workers to provide services to veterans. CETA requires special consideration for veterans in Title I and 48-hour listing requirements in Titles II and VI. In addition, there's HIRE, and the \$3 million in outreach activities including NAB.

II. Improvements in Existing Systems: The U.S. Employment Service

A. Summary

Under the Wagner-Peyser Act of 1933, State employment service agencies are charged with the responsibility of delivering employment services to veterans, a responsibility carried out by Local Veterans Employment Representatives (LVERs) in conjunction with other state agency staff.

Recently several special programs have been established to expand and improve ES services to veterans. These include the Mandatory Listing program, the Disabled Vietnam-era Veterans Outreach program (DVOP) and recruitment, certification, and referral activities under the Help Through Industry Retraining and Employment (HIRE) program. All these veterans programs require that priority services be provided to those veterans who are most in need, i.e., disabled and Vietnam-era veterans.

ETA staff and the staff of the (Federal) Veterans Employment Service under the Department's Deputy Assistant Secretary for Veterans Employment are responsible for the oversight and monitoring of service provided to veterans by the approximately 2,600 State employment service offices nationwide.



B. Issues--Employment Services

1. Review of Veterans Services Delivery System  
Recently a number of issues have arisen with respect to the adequacy of the delivery system for assuring employment service to veterans. In particular, a draft General Accounting Office report raised a number of specific questions concerning the effectiveness with which existing priorities are administered, particularly when the services involve the several levels of Federal, State and local government and when coordination between Federal agencies is required. Specific problems include the difficulty of providing timely information across agencies as in the case of mandatory listings and the employers with approved VA training programs. Similarly, there will be a need for monitoring the recently established performance indicators for services to veterans.

In view of the questions raised with respect to veteran employment service, there is clearly a need for a comprehensive review of the system for delivering employment services to veterans, with particular emphasis on the management aspects.

2. Monitoring of ES Performance Indicators  
Currently, State employment service agencies have primary responsibility for delivery of services to veterans, a responsibility carried out through State and local veteran employment representatives. ETA staff and the (Federal) Veterans Employment Service are responsible for the oversight and monitoring of services provided to veterans by State employment service offices.

In FY 1978 the Department established comprehensive standards for ES services to veterans.

Whereas previous standards covered only placement of veterans in jobs, the revised standards cover more types of services and provide new measurements for both the basic level of services and the degree of preference provided to veterans. The new standards involve two new measures of performance. First, a minimum level of various type services to veterans must be met, and second, the percentage of veterans receiving the various services must be higher, by specific percentages, than the percentage of non-veterans receiving the same services.

Analyses of ES services to veterans, by State, as measured by these compliance indicators, are prepared and forwarded to each ETA Regional Administrator (RA) on a quarterly basis. The results of these analyses are used by each RA in conjunction with other ongoing regional monitoring and assessment activities to determine individual State agency compliance with the requirements of veteran regulations. For those States showing deficiencies on the indicators, findings are transmitted to each State by the RA, and appropriate corrective actions are developed and implemented.

States are also informed that, if deficiencies in veterans services are not corrected, the RA's are required by regulation to formally designate those States as being out of compliance at year's end and appropriate remedial actions as set forth in regulations at 20 CFR 658, Subpart H, will be instituted.

3. Mandatory Listing Program

Mandatory Listing is a statutory program in which employers who are prime contractors or subcontractors engaged in the performance of Federal contracts shall list all their suitable job openings, with some exceptions, with the public ES. It was implemented by Executive Order 11598 in 1971, through which the President directed the ES to operate the program to help qualified

disabled veterans and veterans of the Vietnam era obtain employment at a time when the unemployment rate for young veterans was disproportionately high. Since E.O. 11598, statutory provisions in several distinct pieces of legislation and implementing rules and regulations, in program directives and letters and in a new E.O. 11701 have served to formalize activities in the program. The current responsibilities of the ES under the ML program are summarized at 41 CFR 60-250 which became effective July 26, 1976. These regulations require that contractors and subcontractors "take affirmative action to employ and advance in employment disabled veterans and veterans of the Vietnam-era."

During the first half of FY 1978, 229,000 individuals were placed in mandatory listing jobs. Of these, nearly 72,000 or 24 percent were veterans. For veterans, this represents an increase of 10,000 individuals placed in MJL jobs over the comparable period of the previous year. The increase amounted to 16 percent, below the national increase of 21.5 percent for all individuals placed in MJL jobs, but does reflect the progress being made by the ES in placing increasing numbers of veterans in mandatory listing job openings.

Studies of the mandatory job listing program indicate that several aspects could be improved to enhance its effectiveness; these include timeliness of contractor identification, completeness of information provided to local ES offices and identification of contractors not in compliance.

As part of the overall review of veterans services described below, the Employment Service will review the performance of State agencies in carrying out their responsibilities under MJL and provide such training direction and followup as necessary to assure an effective resource for veteran employment.

In addition, in conjunction with ESA, the ETA will review the procedures established for obtaining information about covered contractors to determine if ES agencies can be notified more promptly of contractors who are subject to mandatory listing requirements. The internal methods of identifying employer hiring locations and providing this information to local offices will also be examined to improve the timeliness and accuracy of information available at the local level.

C. Current and Proposed Initiatives

1. The Department of Labor now has in the advance planning stage an "Evaluation of Employment Services to Veterans." This study is to be a management review conducted by a contractor selected through the Small Business Administration's 8A program. Selection of the contractor is anticipated by the end of July with completion of the study scheduled for one year later or July of 1979. The major focus of the study will be:
  - a. The effectiveness of the organizational structure at the Federal, State and local levels in delivering services to veterans.
  - b. The effects of major statutory requirements, regulations and policy issuances on services to veterans.
  - c. The effectiveness of the current working relationships with other agencies and programs serving veterans.
  - d. The impact on ES services to veterans from other initiatives for veterans such as HIRE, DVOP, PSE, etc.
  - e. The effects of alternative services available to veterans (education, VA/OJT) on ES ability to serve veterans.
  - f. The effect of staffing levels on the ES ability to provide services.
  - g. Possible ways of improving the effectiveness of ES service delivery to veterans.

This study, to be administered by ETA's Office of Policy, Evaluation and Research, will form the base for a comprehensive review of services to veterans by the Employment and Training Administration of the Department of Labor.

2. A veterans preference indicator of compliance for State agency services under the mandatory listing program was included in the veterans compliance performance indicators established by regulation for implementation during FY 1978.

This mandatory listing indicator is: The ratio of the total number of veterans of the Vietnam era and special disabled veterans placed in mandatory listing job openings to the total number of individuals placed in mandatory listing job openings shall exceed 7 percent.

This indicator, like the others, is analyzed quarterly and the results transmitted to each ETA Regional Administrator for appropriate follow-up action. Similarly, States that are deficient on this indicator will also be subject to the remedial action steps set forth by regulation.

In addition, an automated system -- the Employer Information System (EIS) is currently being developed for the use of State ES agencies in identifying those employers not in compliance with mandatory listing requirements.

One of the outputs of this system will be a Federal Contractor Job Listing Employer Quarterly Report. When in operation, this report will show for each Federal contractor's hiring location, three sets of hiring information juxtaposed. It will compare the Federal contractor's reported hires as identified from unemployment insurance (UI) records, his hires as reported in his quarterly hire report and the placement activity conducted with this contractor by his local ES office. This will assist local ES staff in identifying employers not in compliance and result in more timely referrals of non-compliance to ESA for enforcement activities.

3. The DOL, through the State employment service offices, is placing new and increasing emphasis on the placement of its applicants, including veterans in unsubsidized jobs. This effort has resulted in a 21 percent increase in total veteran placements between the first half of FY 1977 and the first half of FY 1978. During this same period placements of disabled veterans increased by 44 percent. Increased job development contracts by DVOPS and a significant upturn in mandatory listings by Federal contractors have contributed to this much improved level of services. The DOL will continue to give strong emphasis to placement services to the veteran applicants and will expand its outreach efforts through continued use of DVOPS and regular ES staff.

D. Options

1. Undertake a comprehensive review of the overall system for delivery of employment services to veterans including the role of Veterans Employment Service (VES), the adequacy of administrative and management systems for providing services to veterans at the State and local level and the projected need for such services over the next 5 years. The review would incorporate recent actions taken to improve veteran services, particularly the establishment of performance standards for veteran services.
2. Develop procedures and instructions for State ES agencies which bring increased attention to the employment situation of minority and disabled veterans.
3. Expand the role of the Federal Veterans Employment Service to encompass direct participation in the delivery of veterans services.

E. Recommendations

We recommend that both options 1 and 2 be taken.

The comprehensive review would encompass a wide area of suggestions for improving services to veterans and would build on studies of various aspects of veteran services including recent

program performance reports.

Special consideration shall also be afforded to special veterans (those who served in Indo-China or Korea from 8/64-5/75) in filling public service jobs under Title I. Special consideration shall be, in enrolling participants in accordance with their incidence in the population by race, age, and sex, affording additional consideration in selection for special veterans.

Prime sponsors are also required to invite representatives of appropriate veterans organizations or groups to serve as temporary members of CETA planning councils at both the local and State levels. Also, each sponsor is required to provide State and local veterans employment service representatives with current information on training and work opportunities funded under Title I, so information can be disseminated to eligible veterans.

In FY 1977, 141,560 10.1 percent of the total Title I enrollment was composed of veterans. However, the veterans percentage of nonyouth, male participation in Title I programs equaled 37.6 percent.

2. Special Consideration - Titles II and VI

Responding to PL 95-93, ETA revised its ongoing 48 hour preference requirement for Title II and VI PSE vacancies in regulations published on September 30, 1977. The listing requirement initiated by the Department administratively to cover all PSE, was modified to apply to Vietnam veterans under the age of 35 and veterans with a greater than 30 percent service-connected disability.

3. Reporting of Veterans Service

It has been a matter of continuing concern that veterans participation be reported in a reliable and accurate manner and that to the extent possible

reviews of DVOP sites and the proposed study of veterans services the Department has recently initiated.

Several of the recently established special veterans programs (e.g., DVOP, HIRE) which are primarily targeted to unemployed disabled and Vietnam-era veterans have begun to bring added emphasis to the employment problems of those veterans with the greatest need. The ES will continue to focus its attention on the client group through its directives and through monitoring the veterans performance indicators.

### III. Improvement in Existing Systems: CETA

#### A. Summary

The CETA system provides a substantial resource for the training and employment of veterans. During FY 1977, CETA programs served the following number of veterans:

Title I	141,560
Title II	81,167
Title VI	142,632

#### B. Issues

##### 1. Special Consideration - Title I

Prime sponsors are required to provide for the increased participation in public service employment programs and job training opportunities of qualified disabled veterans and those qualified Vietnam-era veterans who are under thirty-five years of age. In order to increase such participation, prime sponsors must develop local goals, taking into account the number of qualified, eligible veterans and the number of qualified persons in other significant segments of the population in the area served by the sponsors, for the placement of eligible veterans in job vacancies occurring in such programs. These goals must be outlined in prime sponsors annual plans, and progress against plan is reported in quarterly



definitions and procedures among ETA programs and offices are consistent.

C. Current and Proposed Initiatives

1. Title I actions.

To enforce requirements and to provide technical assistance which should serve to maintain and improve performance in tightening up the system, the DOL will:

- 1) Review prime sponsors planning council membership lists to determine whether veterans organizations are represented as required. This review could take place prior to the conclusion of prime sponsor annual performance assessment.
- 2) Inspect FY 1979 grant plans to determine whether prime sponsors have responded adequately to local levels of veterans needs, based on best available data, on the incidence of eligible veterans. Using the RVER and LVER as a resource, work with the prime sponsor to expand the amount of veterans LMI available to planners, if access to data has caused problems during the planning process.
- 3) Monitor local prime sponsor systems to assure that special consideration is afforded to special veterans within their enrollment mechanism for public service jobs in Title I. Assure that prime sponsors understand that special consideration means, when enrolling participants in accordance with their incidence in the unemployed population by race, age, and sex, that additional consideration will be afforded to special veterans.

2. Title II and VI actions

It is a matter of continued concern to ETA that any eligible veteran has priority in consideration in filling PSE jobs. The following anticipated

pation in CETA due to inadequate data.

2. Work at the national level within USES, OCED, and DASVE policy offices, to consolidate and standardize definitions and procedures used in serving veterans under ETA programs. This will insure a more effective and timely response by the ETA system to facilitate the flow of eligible veterans into employment and training programs. As an outcome of this option (currently being implemented by ETA), recommendations will be made to the Secretary for legislative simplification and standardization of veterans provisions in the reenactment of CETA and Wagner-Peyser.
3. Check the prime sponsor's MIS and participant record files to determine whether CETA operators are accurately recording and reporting veterans participation.
4. Develop a variety of program models for use by prime sponsors in designing CETA programs to serve veterans. These could include ways to link CETA & VA OJT programs, along with models for job sharing and job voucher programs.

#### E. Recommendations

We recommend that all of the proposed options be accepted.

### IV. Improvements in Existing System: HIRE

#### A. Summary

HIRE I - a national contract program operated through State Employment Services across the United States, and through the National Alliance of Business, to hire and train veterans, members of veterans' families eligible for veterans preference, and disadvantaged youth for jobs in private industry.

Approximately \$40 million of the \$140 million available for HIRE programs will be spent by HIRE I through national on-the-job training (OJT) contracts. To date, \$38 million has been obligated in 161 contracts to train 22,500

actions are intended to strengthen veterans participation:

- 1) Initiate an effort with the prime sponsor system to emphasize the improvement in CETA's outreach to eligible veterans that builds on those prime sponsor jurisdictions that opted to participate in the HIRE II program. Renewed contact with local veterans organizations, and with the SESA to conduct outreach and certification for HIRE II OJT jobs will increase the flow of veterans who are job ready at the entry level. Those veterans in the referral stream who are not selected for HIRE II should be diverted to PSE pools and referred for priority consideration to prime sponsors by SESA under the 48-hour listing requirement, and by prime sponsors to the actual employing agent pursuant to PSE plan goals for veterans' participation. In addition to special consideration for PSE openings, prime sponsors have existing responsibilities to consider veterans for the full range of services under Title I.
- 2) Review on site with prime sponsors local mechanisms for achieving PSE veterans participation goals, including the specific method used to refer veterans to employing agencies and whether veterans hiring goals are included in prime sponsor PSE subgrant applications. Follow-up on this brief review would be of a technical assistance nature, and to focus prime sponsors on specific steps or actions that should be taken to insure that the goals to which sponsors are committed in ETA-approved plans are in fact realized.

#### D. Options

1. Consider funding at the national level data service projects to develop veterans LMI for labor market and prime sponsor areas in which there have been particular problems with planning veterans partici-

jobless workers; 3,000 persons have been hired on contracts. These reimbursable contracts and hires, together with voluntary pledges for jobs received from employers with the assistance of the National Alliance of Business, total over 102,000. To date, over 50,000 jobs have been filled against the voluntary pledges. Contracts will continue to be developed for use of HIRE I funds up to the \$40 million level.

HIRE II - a redirection of the HIRE program concept, to decentralize responsibility for contracting and operating HIRE to CETA prime sponsors who also offer a full range of skills training, public employment, counseling, and outreach services under other CETA programs. The HIRE II program (\$90 million) is being marketed through prime sponsors in cooperation with NAB and private sector representatives on local CETA planning councils.

B. Issues

1. HIRE I Monitoring

HIRE I funding agreements should be monitored both at the desk level on a continual basis and on site at selected times of the year. A desk review is warranted when firms request modifications to existing agreements and when time invoices are received. A more detailed review of an agreement is accomplished at the training site. Limited staff resources have prevented full implementation of the monitoring plan.

2. HIRE II redesign

- a. Eligibility is limited to persons who are veterans or eligible for veterans preference. Funds are utilized to serve only unemployed veterans and those entitled to veterans preference and prime sponsors are to give first priority to disabled veterans and to Vietnam-era veterans.

DOL will include in the program design a mechanism for assuring that funds are utilized for eligible veterans and that prime sponsors have outreach systems to identify first disabled veterans and then Vietnam-era veterans for participation

in the program.

- b. Included in the program design is a method to redistribute funds from a prime sponsor which is unable to identify and enroll eligible veterans to prime sponsor areas where there is a high incidence of unemployed veterans. Plans call for reallocations to be initiated by ETA once a month following the implementation of the program, and measurement of actual contracting activity in comparison with contracting planned month-by-month during the operation of HIRE II.
- c. A request has been forwarded to the Congress to allow prime sponsors to obligate funds after September 30, 1978. Program design now calls for a March 30, 1979 cut-off date for the initiation of new contract programs through private employers by the prime sponsor system.

C. Current Initiatives

- 1. The HIRE I program design, adjusted to simplify procedures used by SESA's to refer eligible veterans, is being remarketed through NAB and SESA to execute national contracts with remaining funds. Steps will be taken to insure that the necessary review and monitoring is conducted.
- 2. Plans are being drafted for a coordinated effort by CETA prime sponsors, veterans organizations, cooperating employers and the Employment Service for an aggressive campaign to sell HIRE II to private industry as a locally - controlled veterans only program. This campaign will include utilizing national NAB and veterans organizations to disseminate information and foster implementation providing technical assistance through the CETA and USES systems to expedite contracting, outreach and employment of veterans, and using Regional DOL and VES field presence to spotlight and assist in solving problems.

D. Options

No further overall options for DOL action appear to be currently available for the

implementation of HIRE.

V. Veterans Outreach & Job Development Plan

A. Summary

1) NAB Jobs

In its veterans-related outreach activities, NAB has established three main tasks: to utilize the local employment and training system, and contacts with veterans groups to identify job-ready veterans without work history deficiencies; to advise interested veterans during their job search process through its Veteran Employment Seminar Program (in FY 1977, over 100,000 veterans benefited from 6 hours of training in how to complete applications, draft resumes, and perform in interview situations); and to locate jobs in the private sector, and "sell" employers' on making a nonbinding pledge to hire a specific number of veterans during the business year. ETA has for several years provided funding for the salary and expenses of 50 veterans who have been placed on the NAB payroll for the purpose of promoting all aspects of the Jobs for Veterans program in the private sector.

2) Other Outreach Projects

The DOL is currently funding 13 veterans outreach and public information programs at a cost of \$3 million. The outreach plan is targeted to reach unemployed veterans, particularly disabled and minority Vietnam-era veterans in labor market areas with large concentrations of such veterans. The purpose of outreach is to extend the existing delivery systems to needy veterans, many of whom are unaware of the availability of assistance or intimidated by the seeming complexity of the system. The 13 Community Service agencies currently being funded provide access to veterans who are not seeking assistance through the regular system. These include such organizations as the Blind Veterans Association, National Urban League Veterans Employment Program, and the National Black Veterans.

B. Issues

- 1) Despite the variety of outreach initiatives, weaknesses exist in some jurisdictions in making contact with eligible veterans to inform them of opportunities under CETA, ES and other programs.
- 2) Veterans groups with particularly serious employment problems, minority and disabled veterans need extra assistance in order to take advantage of services for which they are eligible.

C. Current Initiatives

DOL will continue the overall NAB effort to assist veterans and will specifically continue the support of the 50 veteran representatives so as to maintain the capability of the NAB organization to deal with the problems of the veterans as related to private sector job opportunities.

D. Options

- 1) Reprogram \$10 million of HIRE funds to intensify the veterans outreach and job development effort by specifically targeting this expanded effort to meet the needs of veterans experiencing the highest unemployment rates, particularly minority and disabled veterans. Included in funding at this level will be a major expansion in the number of Community Service agencies with access to minority and disabled veterans.
- 2) Evaluate currently funded projects. Continue the projects that have proven effective, fund a public information effort at \$250,000, and continue support of the U.S. Veterans Assistance Centers through FY 79. In addition, fund the incarcerated veterans program of the National Council of Churches and consider funding projects in Chicago, Cleveland, Macon, Georgia, Salt Lake City, Indianapolis, Minneapolis, Milwaukee, Madison, Wisconsin, Norfolk and Camden. These cities have a high veteran unemployment rate. Unemployed veterans in these communities would benefit by additional outreach services. Funding

under this option would continue at the \$3 million level.

- 3) Eliminate any new outreach effort and rely on existing targeting for veterans by the ES and under DVOP and HIRE II.

E. Recommendation

Option 1 is not recommended because of the amount of resources that will have to be withheld from other programs. Option 3 is rejected because it will not have the immediate impact that is needed now.

Option 2 is recommended because it will provide new initiatives to further reduce unemployment for minorities and the disabled while at the same time not substantially hindering other programs. This option, in conjunction with already existing programs, should result in better and faster service for the veteran.

VI. Disabled--Vietnam-era Veteran Outreach Program (DVOP)

A. Summary

In early 1977, the Disabled Veterans Outreach Program (DVOP) was implemented as one of President Carter's first priorities in the economic stimulus package. It established outreach units in employment service offices in the Nation's 100 largest cities. The units were staffed by 2,000 disabled veterans primarily Vietnam-era Veterans working to identify and provide employment services for other disabled veterans. To date, 26,000 disabled veterans have been employed, and it is expected that the program's goal of 40,000 placements of disabled veterans will be reached by the end of the first quarter of FY 1979. The success of the DVOP program has led to proposals for its continuation beyond the September 30, 1978 date.

B. Options

The Department of Labor's ability to continue the program will depend on the availability of resources for FY 1979. The current program of 2,000 DVOP personnel costing \$30 million is funded from the economic stimulus appropria-



tions. The various options for continuing the program into FY 1979 are:

- 1) Maintain staff at 2,000 in FY 1979, using \$23 million of FY 1978 carryover and \$7 million of the \$10 million in outreach funds and conduct a study to determine FY 1980 need.
- 2) Fund 1,500 staff in FY 1979 and target staff resources to those localities with greatest concentrations of unemployed disabled veterans, using FY 1978 carryover funds; study needs for program levels for FY 1980.

In addition to fund availability, programmatic considerations impact on a decision regarding the level of the DVOP program for FY 1979. Disabled veterans represent a fixed universe of need. Over a period of time the penetration of this universe will increase through DVOP and other veterans programs. Gradual reductions in program levels recognize this consideration and avoid declining program productivity and abrupt staff reductions.

#### C. Recommendations

- 1) DOL recommends Option 2. The Department believes that funding the DVOP program at the 1,500 personnel level will:
  - continue the program at a substantial level while studying the actual level of need for FY 1980,
  - recognize the programmatic impact of a finite target group and maintain a high level of productivity.
  - allow for targeting of the remaining resources on those localities with the greatest concentration of unemployed disabled veterans.
- 2) DPS recommends Option 1. Maintaining the current staff of the program at the 2,000 level will:

- demonstrate the Administration's strong support for a successful outreach program targeted to serve veterans with the severest employment problems.
- avoid possibility of laying off disabled veterans now engaged in outreach efforts.
- permit the program to operate at current levels while a study is undertaken to determine the most appropriate level of support.
- utilize resources already available and appropriated by Congress for veterans for a program with wide public support.

## VII. VA/DOL Coordination

### A. Summary

The activities of the Veterans Administration and the Department of Labor in providing services to veterans parallel and overlap in a number of major instances. In several of these there is a potential for increased efficiency for both Departments and for improved linkages. For example, employers participating in VA/OJT should be a particularly good source of job openings for veterans registered with the employment service.

### B. Issues

Although VA and DOL have worked out successful cooperative arrangements in a number of areas (USVAC's, disability lists) there are others in which there are substantive obstacles to the desired linkage either because of statutory requirements or simply the complexity of melding two different administrative systems. A case in point is the relatively clear cut suggestion that the ES be provided a list of VA/OJT employers as a source of openings for veterans. In practice maintaining a current list has been time-consuming and there is some

question whether the number of openings generated by the practice make the system cost-effective. A similar situation exists with respect to coordinating CETA support to employers under its OJT program with the support provided the veteran under VA/OJT. In this case there are differing requirements between VA and DOL on length of training, eligible employers, etc.

C. Current and Proposed Initiative

The Department of Labor proposes that there be established a high level joint committee at the departmental level appointed by the Secretary of Labor and the Administrator of the Veterans Administration. The purpose of the committee would be to identify those areas in which closer linkages could be developed and to identify those regulations and definitions that may serve to hinder cooperation.

Each Department would assign staff to a work group to support the committee. The committee would have a specified and limited life. The focus of the committee would be on the VA/DOL issues identified herein--linking VA/OJT with ES operations and VA/OJT programs with DOL/OJT programs.

A tentative schedule would be as follows:

1. Identification of interdepartmental issues and proposed work plan -- July 1978.
2. Proposed action plan with recommendations on program models and administrative, legislative, changes as necessary -- August 1978
3. Implement agreed upon models and initiate necessary administrative and legislative changes in early FY 1979.

### PART THREE: VETERANS SERVICES AND BENEFITS

#### I. Summary

In almost every instance benefit usage by VEV's as a group equals or exceeds that of veterans of previous wars. Cumulative expenditures by VA alone exceed \$35 billion. GI Bill participation to date is 65% as compared with final figures of 51% and 43% for WW II and Korean conflict trainees, respectively. VEV's have secured home loan guarantees to cover mortgages in excess of \$39 billion. VEV's also have low cost Government supervised Veterans Group Life Insurance (VGLI) in excess of \$7 billion. DHEW estimates its programs served 1.9 million VEV's in FY 1977 and an additional 220,000 of these veterans dependents and survivors or beneficiaries under the Social Security Administration programs. DoL estimates expenditures of \$3.1 billion for special unemployment compensation (UCX) for ex-servicemen.

#### II. Service-connected disabled veterans

##### A. Summary

There are 512,000 disabled VEV's; 150,000 are 50% or more disabled. Monthly compensation payments which are tax free are not offset by any other income of the veteran and vary from \$41 for a 10% disability rating to \$1,300 for certain severely disabled veterans. Additional dependency allowances are authorized for those rated 50% or more. Cumulative VEV disability compensation payments to date are \$5.2 billion.

Besides compensation payments other VA benefits for service-connected disabled veterans include grants for specially adapted automobiles, grants of up to \$25,000 for the purchase of specially adapted housing for the severely disabled, clothing allowance for veterans requiring prosthetic appliances, special life insurance at preferred rates, priority in health care, vocational rehabilitation and other educational assistance. Federal contractors are required by law to take "affirmative action" to employ and promote in employment disabled and recently discharged VEV's. 38 U.S.C. § 2014 also declares that the policy of the United States to promote maximum employment and job advancement opportunities within the Federal Government for such veterans. In addition to the preferences granted under the Civil Service Act, disabled VEV's may be appointed non-competitively for positions up to GS-5 under the Veterans Readjustment Appointment (VRA) program.

##### B. Issues

Because of the nature of the Vietnam conflict and because of better medical treatment VEV's often sustained and

survived more serious injuries than did veterans of earlier wars (e.g., VEV loss of power extremities was 300% higher than the WW II rate). This has resulted in a greater need for specialized services and for better vocational rehabilitation programs. The current VA vocational rehabilitation program is essentially patterned after the original program enacted in 1943. Seeing a need for revision and modernization Congress last fall directed the Administrator in consultation with the Commissioner of Rehabilitation Services (DHEW) to conduct a thorough study of the program. Findings of this study suggested possible program changes. In brief, it is concluded that as compared to authority given the Rehabilitative Services Administration (RSA) VA has less flexibility in terms of achieving actual employment as opposed to mere employability for veterans and that a more systematic approach with more training options and liberalized eligibility periods seem wise.

VRA authority for disabled and non-disabled VEV's has not been used consistently by federal agencies and has accounted for only 3 to 4% of federal hires since 1972. The authority is scheduled to expire this year.

The affirmative action requirements of federal contractors for disabled veterans is enforced only on a complaint basis and is not as strong as affirmative action programs for women and minorities. Many veterans covered by the law are not aware of it.

#### C. Current and Proposed Initiatives

- \* The Administration has proposed cost-of-living increases in disability compensation amounting to \$378 million in FY 1979.
- \* The Administration supports legislation to increase specially adapted housing grants for the severely disabled from \$25,000 to \$30,000.
- \* Enforcement of affirmative action for disabled veterans is being strengthened by consolidation of all compliance activities for federal contractors into the Office of Federal Contract Compliance (OFCC).
- \* The Administration has submitted legislation to liberalize and extend the VRA appointment authority through June 30, 1980. Appointments of VEV's could be made up to GS-7, and there would be no educational limitation for disabled VEV's as there is in the current law.

#### D. Options

1. Seek legislation to improve the VA vocational rehabilitation program for service-connected disabled VEV's. Consistent with congressional direction this proposal would improve and modernize the program along the lines of HEW's rehabilitation authority. Changes include replacing employability with actual employment as the final phase of rehabilitation process. A more systematic approach is recommended to include early evaluation, broader definition of permissible categories of training as well as liberalization of restrictions in the length of the period of entitlement under particular conditions. This would allow for cases in which disabilities worsen and more training is later needed or earlier training becomes obsolete. Better coordination of medical and vocational rehabilitation within present authorities would also be sought. Other changes would improve program reporting to permit better evaluation and accountability and to grant the Administrator explicit authority to approve courses as well as facilities. It is estimated these improvements would cost approximately \$10 million for each of the next 5 fiscal years. OMB now supports this recommendation. Possible Congressional legislation will be far more costly than our proposal.
2. Increase referrals of service-connected disabled VEV's to RSA. This proposal would have the advantage of utilizing an existing program mechanism and would require no new legislation. Disadvantages are: (a) it would fragment authority; (b) it would run counter to VA's primary mission of providing total care for the service-connected disabled veteran; and (c) it would be strongly opposed by various veterans' groups and by the authorizing Committees in Congress.
3. Direct federal agencies to make greater use of VRA authority particularly for disabled VEV's. An advantage of such a directive to all federal agencies would be to demonstrate the President's commitment to focus assistance on the needs of disabled and other VEV's during a period of emotional argument over his proposals to modify Civil Service Veterans Preference Provisions. A disadvantage is that it might be opposed by women's groups.

#### E. Recommendations

We recommend options 1 and 3 as both the most effective and politically desirable ways of meeting the needs of disabled VEV's.

### III. HEALTH CARE FOR VEV's

### A. Summary

The VA provides a wide variety of health care for disabled veterans and for veterans unable to defray the cost of care. This includes psychiatric care, alcohol and drug abuse therapy, rehabilitation services, sickle cell anemia screening counselling and treatment. Cumulative VA expenditures for VEV health care is estimated at \$2.9 billion. While comprising 29% of the current population, VEV's accounted for 40% of the patient discharges from VA hospitals in FY 1977 for psychotic diagnosis (in part this is a function of age because younger veterans do not suffer from organic diseases to the extent that older veterans do). When matched with comparable non-vets, VEV's under 34 had a suicide rate 23% higher. The number of hospitalized VEV's identified as alcoholics or problem drinkers has more than doubled from 13% in 1970 to 31% in 1977. VEV's account for 39% of inpatients and 55% of all outpatients being treated by VA for drug dependence problems.

### B. Issues

The VA's current authority to furnish psychological counselling does not permit the extension of professional services to those without definable illness but have so-called "low grade" readjustment problems manifested by feelings of bewilderment, alienation and pessimism, which may result in, or contribute to, unemployment difficulties, interpersonal problems, alcohol and drug dependence and in some instances criminal conduct. The extent of this problem is unknown but may be as high as 20% of those who served in Vietnam.

A second problem is that the VA mostly cannot (with limited exceptions) contract for the care of veterans at half-way houses, therapeutic communities or residential treatment centers for alcohol or drug dependency problems.

A third problem is, although the VA has 73 special alcohol treatment units and about 50 drug abuse units currently in operation, VA health care facilities in some of the larger metropolitan areas still lack treatment capacity. Alcohol abuse is growing rapidly while narcotic abuse is declining.

### C. Current and Proposed Initiatives

- \* The Administration has proposed legislation which would authorize psychological readjustment counselling to VEV's and their families. The proposal would require that counselling be within one year following date of enactment of the law or one year following service separation,

whichever is later. It is estimated to cost \$9.9 million during the first two fiscal years and \$6.6 million yearly for each of the next three. Enactment of this proposal would mean that services could be provided without giving rise to what at times may be considered the stigma of mental health treatment.

- \* The Administration has a legislative proposal which would authorize pilot "half-way house" programs for treatment of veterans with alcohol or other drug dependency problems. The proposal would cost \$2.4 million during the first fiscal year, \$8.1 million in the second and \$6.3 million in each of the three following years.
- \* The Administration's FY 1979 budget requests 15 new alcohol abuse treatment units for the VA system at an annual cost of about \$3 million.

#### D. Options

1. Authorize more VA substance abuse treatment units. This proposal would authorize five additional units at a total cost of \$1 million bringing the total new units to 20 in FY 79. These additional units would be located in larger metropolitan areas lacking substance abuse treatment capacity. OMB strongly opposes this option. They point to VA studies that show that combined substance abuse units are effective and permit reallocation of existing resources.
2. Increase referral to other programs. Under this proposal expanded efforts have been made to acquaint administrative personnel at VA health care facilities with other programs operated in the communities such as community health centers.
3. Amend administration readjustment counselling and pilot half-way house proposals. Critics of existing administration proposals argue that: (a) the one-year period to contact vets for psychological readjustment counselling is too short; (b) a permanent rather than pilot program for half-way houses is needed; and (c) there is insufficient funding for both programs. There would not be immediate cost, but the outyear costs would run between \$3-4 million.



4. Indicate commitment to amend legislation and increased funding if the above programs in operation demonstrate a need for it. This action would tend to mollify critics while allowing for program evaluation prior to making any irrevocable commitment.
5. Designate VA as the lead Agency in the coordination of Federal rehabilitative research activities. Because the VA medical system exists primarily to give medical care to service-disabled veterans, an important aspect of this care involved rehabilitation of individuals with disabling injuries. VA currently carries on a rehabilitative research program funded at about \$5 million in 1979. Giving VA the lead Federal Agency role would permit VA to coordinate other Federal efforts with its own and would serve to recognize VA's excellent record in this area. One disadvantage would be the likely tendency of VA to focus on disabilities that occur in adults from disease or accident, but not those that occur at or before birth and in childhood years.

#### E. Recommendations

We recommend options 1, 2, 4 and 5. Because the nature and extent of the problem is now known in sufficient detail and because the efficacy of various half-way houses is yet to be demonstrated, requesting broader legislative authority is premature. On the other hand, a commitment to additional legislation and funds should the need be demonstrated is both prudent and more flexible when dealing with future budgetary constraints. OMB opposes options one and four.

#### IV. Education and Training Benefits for VEV's (the GI Bill)

##### A. Summary

The largest benefit usage by VEV's is the GI Bill, which authorizes college, vocational, correspondence, flight and on-job training. VEV GI Bill usage is 65% to date as compared with final figures of 51% and 43% respectively for WW II and Korean veterans. To date, nearly \$25 billion in benefits has been paid under the current GI Bill as compared with \$14 billion in current dollars under World War II Bill and \$4.5 billion under Korean conflict Bill. VEV's in training have a 63% college participation rate which far exceeds the rate for World War II (29%) or Korea (51%). VEV's are entitled to 45 months (5 school years) of entitlement. A single veteran is authorized a monthly allowance of \$311 (\$14,000); additional allowances are paid for dependents. Benefits must be used

within 10 years of discharge, which is more liberal than previous GI Bill programs. Under the current program, there are special programs for the educationally disadvantaged in addition to regular entitlement. VEV's enrolled in school are also eligible for certain work-study program allowances, 40% of which are paid in advance. Finally, VEV's attending higher cost schools are eligible for direct low interest loans of up to \$2,500 per school year, eligibility for which is patterned after the HEW guaranteed student loan program. In addition to VA benefits, veterans are eligible for a variety of OE programs. (Note: Only 50% VA benefits are counted in determining eligibility for Basic Opportunity Grants.) Utilizing VA benefits alone, a single veteran attending school full-time can have available a potential of \$6,600 for a school year of two semesters -- \$2,800 monthly assistance allowance benefits, \$1,300 in work-study benefits, and \$2,500 in direct low interest educational loans. Last year, the Administration withdrew previous Administration requests to cut back the time within which to use GI Bill benefits from 10 to 8 years. The Administration also supported and signed into law P.L. 95-202 which: (a) increased monthly benefits by 6.6%; (b) extended the delimiting period to 12 years for VA loan purposes; (c) increased and liberalized the VA educational loan program from \$1,500 to \$2,500 a year; and (d) authorized an "acceleration" provision in which a portion of a veterans loan repayment obligation may be cancelled through matching action and a State body.

#### B. Issues

Despite the extensive use of the GI Bill, a number of issues remain. First, although utilization rates are known there is little data on how many veterans have achieved their objective, that is, a degree or certificate. Second, participation rates among States vary from a low of 34% in Vermont to a high of 80% in South Dakota. Many critics of the current GI Bill argue that these variations are due to the absence of a separate tuition payment such as the WW II bill had and have urged either a separate payment or the elimination of matching the State action requirement in the VA loan cancellation provisions enacted last fall. (Note, however, that even under the World War II bill participation rates varied from 35% to 72%.) Others argue that veterans who need the GI Bill the most are not utilizing it, and point to the fact that, although the educationally disadvantaged comprise 20% of the VEV population, they represent only 13% of those who have applied for GI Bill benefits. Further, minority unemployment among the younger VEV's is in excess of 31%, and CPS data show that 26% of all VEV's in 1976 earned less than \$7,000 indicating a lack of marketable skills and underemployment among many VEV's. Finally, the

10-year delimiting date is now approaching for many VEV's who may not have utilized GI Bill benefits to the fullest advantage.

C. Current and Proposed Initiatives

- \* For the first time since the program was authorized in 1972, the Carter Administration has supported funding for the Veterans Cost of Instruction (VCI) program which provides funds to colleges for outreach and counselling of VEV's. (FY 1978 budget - \$23 million; FY 1979 budget - \$19 million).
- \* A study of the use of the GI Bill which will include completion rates should provide valuable information on its value and efficacy; it is due to Congress in October 1979.
- \* The Veterans Administration is currently engaged in an "Operation Boost" in States with low GI Bill participation rates to alert VEV's to the possibilities under the GI Bill and to encourage its use by those who would benefit from it.

D. Options

1. Submit legislation to extend the delimiting date for all GI Bill programs for those who have not used benefits who are defined as in need. The first year cost of this proposal depending on who was made eligible would range from \$50 to \$400 million. The range is so broad because no hard data on potential use are available. Its advantages would be that it would offer a wider range of training options to VEV's. Its disadvantage would be that it might draw into the program those who are not in need or who are not serious trainees and are looking only to receive monthly allowances for income supplement purposes.
2. Propose legislation to extend the delimiting date for those veterans defined as in need, according to CETA criteria and/or to the educationally disadvantaged as defined by VA. This option would go far to answer to the most persistent criticisms of the GI Bill by VEV groups. A study should identify those Veterans who would benefit from this recommendation.
3. Submit legislation to cancel State participation requirement in the VA loan cancellation program. Since enactment of the partial VA loan cancellation program last year in P.L. 95-202, no State has enacted

matching provisions required to trigger the federal portion of loan forgiveness. The cost of this proposal is estimated at \$3.6 million in the first year, with a 5-year cost of \$105.6 million. An advantage of this option would be that it might enable more veterans to seek and obtain education at private higher cost institutions, thus increasing GI Bill use in low participation States. Disadvantages are that it is likely to be strongly opposed by the House Veterans' Affairs Committee, as well as by those States which have high per capita expenditures for higher education. Finally, there is no assurance that the VEV's benefiting from these provisions are those disadvantaged veterans we want to help the most.

4. Increase outreach efforts to those VEV's who need GI Bill training, but have not yet used their benefits. Only 14% of VA work-study hours are devoted to outreach efforts. Within existing resources a larger percentage of work-study hours could be devoted to locating and encouraging educationally disadvantaged veterans to make use of their benefits.
5. Reauthorize a VEV component of OE's Upward Bound program. For several years, until OE's General Counsel ruled that specific legislative authority was required, there was a separate provision in Upward Bound of \$3 million to serve disadvantaged VEV's by directing them into post-secondary education through special services and remedial education. The advantages of this option would be the focusing of resources on those who need it the most. Disadvantages are: (a) it might be duplicative of existing VA special assistance programs, and (b) it is primarily intended for younger students, a rapidly declining portion of the VEV population.

#### E. Recommendations

We recommend adoption of options 2 and 4 as the most effective approaches to meeting the needs of veterans who have not used the GI Bill. An extension of the delimiting date or elimination of State participation in loan guaranty programs is premature and should await further program experience.

V. Housing Assistance and Insurance Benefits

A. Summary

VEV's are entitled to home purchase assistance from VA which consists of partial loan guarantees for the purchase of conventionally built new or used homes and new condominiums. Currently VA may guarantee a private lender of up to 60% of the value of property not to exceed a maximum dollar amount of \$17,500. Direct loans in some credit-short areas are also available. VA also guarantees mobile home and mobile home lot loans. To date, 1.6 million veterans have received guarantee loans in the principal amount of \$39.2 billion. To date 20% of all VEV's have used VA housing assistance benefits which compares favorably with comparable WW II and Korean utilization rates over a similar period of time of 23 and 20% respectively. In FY 1977 VEV's comprised 59% of all veterans receiving VA loan guaranty benefits. HUD also has a special mortgage guarantee program for veterans; it is estimated that in FY 1977, 25,000 loans to veterans of all periods were insured in the amount of approximately \$730 million.

B. Issues

VA home loan assistance programs have been a valuable tool in enabling VEV's to obtain a low or no downpayment home mortgage. But continuing escalation of housing prices lessens the percentage of VA guarantee and may cause this pattern to change. In addition, the current mobile home loan program has not been particularly attractive to certain lenders because of insufficient guarantee.

C. Current and Proposed Initiatives

The Administration has testified this year in support of legislation (H.R. 12028) which would:

- (a) Increase the maximum amount of VA home loan guaranty from \$17,500 to \$25,000 (at a 5-year cost of \$4.9 million if enacted);
- (b) Improve the mobile home loan program by increasing the available guarantees to 50% of the loan up to \$17,500 and basing the loan maximums on property values (5-year cost, \$7.7 million);
- (c) Reduce the qualifying wartime service period from 180 to 90 days so that VEV's have the same treatment as WW II and Korean Vets (5-year cost, \$1.8 million); and

- (d) Increase the maximum amount of specially adapted housing grant for severely disabled veterans from \$25,000 and \$30,000 (first year cost, \$4.5 million; 5-year cost, \$19 million).

D. Recommendations

Beyond the current and proposed initiatives in the area of housing assistance, we propose no further recommendations.

## PART FOUR:        MILITARY STATUS

### A.    Summary

97% of VEV's received discharges under honorable conditions which compares favorably with veterans of previous conflicts. Blacks, while accounting for about 10% of discharges received 19% of the undesirable bad conduct and dishonorable discharges. While only 3% of the VEV population as a whole had bad discharges, it is estimated on the basis of certain prison studies, over 30% of incarcerated VEV's possess such discharges. Analysis of available VEV data reveals that a majority were never stationed in Southeast Asia and further that there was a correlation between pre-service characteristics, military service experience and the type of discharge received. Significant characteristics associated with less than honorable discharges were lower level of educational attainment, lower mental testing scores, lower service ranks, shorter service periods and younger ages. Other related factors were whether individuals volunteered for service (draftees had higher rates of honorable discharges), branch of service (the Marine Corps had the highest rate of less than honorable discharges), and occupational speciality (those in combat specialties had relatively fewer honorable discharges than those in various technical specialties.) There is considerable evidence to suggest that many of those discharged under other than honorable conditions have experienced difficulties in obtaining employment leading to responsible positions in society.

### B.    Issues

The Administration's special discharge review program (SDRP) for VEV's was intended to upgrade bad paper discharges of many veterans who had served meritoriously in Vietnam and who had received their discharges under conditions that raised fundamental questions about fairness. While the program was able to issue new discharges which on their face removed the stigma associated with previous discharges, strong emotions in Congress about qualification for veterans benefits lead to enactment of Public Law 95-126. This law mandated a second review on a case by case basis utilizing published uniform standards. Two problems associated with this legislation are: First, the short time period within which to accomplish these reviews; and second, an automatic bar to VA benefits for veterans who were discharged because of unauthorized absence of 180 days or more. Although the harshness of this provision

is mitigated by the authority of the Administrator to waive the rule if he finds there are "extenuating circumstances" an automatic bar that does not take into account all relevant factors in determining eligibility is fundamentally inconsistent with the premise of P.L. 95-126 which mandated an individual case by case review.

C. Current and Proposed Initiatives

- \* In March 1978 the first DoD directive concerning the discharge review process was published. It prescribes uniform standard procedures to be followed by boards and incorporates factors which historically have been considered in the discharge review process.
- \* A joint service review of the entire military discharge system is currently underway with a projected completion date of late summer 1978.
- \* A Department of Defense directive to correction boards that will provide uniformity and insure that the review system is serving the best interest of the military service as well as those individuals affected by it, is in the initial stages of development.
- \* Draft legislation to amend 38 U.S.C. §3103 to extend the time period within which the boards of review concerned shall make second determinations under uniform standards required by P.L. 95-126 was submitted to Congress in October 1977.

D. Options

1. Facilitate assistance available to former service-men seeking discharge review. Under this proposal the Department of Defense would provide indexes of discharge review/correction board cases to selective regional offices of the Veterans Administration to assist former members in preparing the discharge review case.



2. Submit legislation to modify the provisions of P.L. 95-126 which automatically bars VA benefits for combat veterans discharged because of unauthorized absences of 180 days or more. Adoption of this option would be consistent with reservations expressed at the time you signed P.L. 95-126. Affected veterans number less than one thousand. It is unlikely to be passed by this Congress and probably will rekindle much of the emotion that led to the enactment of the law in the first instance. However, when you signed the bill, you pledged to submit legislation to alleviate some of the bill's harsh provisions.
3. Continue to rely on the compassionate decisions by the Administrator with respect to any 180 day unauthorized absence cases. Currently the Administrator is exercising great liberality with respect to any 180 day cases presented to him for determinations as to extenuating circumstances.

E. Recommendations

We recommend options 1, 2, and 3.

## PART FIVE: INCARCERATED VETERAN

### A. Summary

Data on incarcerated veterans is limited and varies widely. Based on available data it is estimated that 27% of a State prison's population will be veterans of whom 12 to 13% will be VEV's. Utilizing these projections it is estimated that there are about 29,000 VEV's in State and Federal prisons. A 1974 GAO report also estimated about 125,000 of the inmates in Federal, State, and local prisons and jails were veterans. Other data suggests that there are 37,500 veterans on parole and 250,000 veterans under probation supervision. Another 87,000 are estimated to be awaiting trial. A 1974 LEAA-Bureau of the Census Report found that about 70% of incarcerated veterans possessed a discharge under honorable conditions and therefore are currently eligible for veterans benefits. About 2,000 have received VA benefits. Limited available data also suggests that VEV's are more likely to have a history of drug usage than non-veterans but less likely to have a prior history of juvenile or adult incarceration.

### B. Issues

General problems may be summarized as follows: 1) lack of accurate data on the scope and nature of incarcerated veteran population (only three of 50 states responded to a survey done in connection with this PRM); 2) limited access of inmate veterans to programs and services by virtue of incarceration, and isolation of most prisons from outreach efforts; 3) lack of programs exclusively for veterans as distinguished from all non-veterans; and the opposing concern of corrections officials not to distinguish a particular group of inmates for special services, programs and benefits; 4) limited access of inmate veterans to discharge upgrade review; 5) lack of information and training of court, probation and corrections officials on veterans benefits; 6) lack of comprehensive interagency planning and coordination; and 7) limited manpower to provide special services to incarcerated veterans.

C. Current and Proposed Initiatives

- \* VA maintains an active outreach program to incarcerated veterans and made 1,600 visits to 319 Federal and State prisons in FY 1977 to brief inmates and over 1,500 correction officials on VA benefits.
- \* Some CETA monies are being used to fund private groups that aid incarcerated vets in applying for benefits and obtaining upgraded discharges.
- \* To deal with the concern of some prison officials about the unstablizing effects of GI Bill monies in prisons, VA testified this year that a trust fund arrangement should be devised which would allow payment to a veteran's dependents and/or would be given to the veteran upon his release from prison.

D. Options

1. Obtain accurate data about incarcerated veterans. The LEAA National Criminal Justice Information and Statistics Service should develop useful current and predictive data concerning incarcerated veterans in Federal, state and local jurisdictions. Particular attention should be given to develop quantitative data about the scope and demographic characteristics of incarcerated veterans, and to establish data useful for evaluating the effectiveness of programs for incarcerated veterans. Information concerning the correlation between military service and narcotics use should also be investigated. In preparing this Presidential Review Memorandum, all fifty states were surveyed about incarcerated veterans. Only three responded. Further, available data was often several years old, and there was significant variance among statistics. There is a need for a true picture of the incarcerated veteran population today.
2. Develop Information Dissemination Program for Criminal Justice System. LEAA and the Bureau of Prisons would work with the VA to implement an information dissemination program for judges, court officials, probation and parole officials,

and Federal, state and local corrections officials to inform them of veterans benefits and procedures to obtain them for offenders. This information program would also be designed to reach incarcerated veterans themselves, and inform them of benefits to which they are entitled, or procedures they must follow to secure discharge upgrade reviews.

3. Provide LEAA assistance for Incarcerated Veterans Programs. Under this option LEAA would assist state and local correctional agencies to facilitate the establishment by Government and non-Government agencies of special programs for incarcerated veterans. Such programs could provide services especially for incarcerated veterans, and channel benefits to overcome educational, skill and health deficits of individual offenders. There are currently only about twenty programs in the nation which are designed exclusively to assist veterans in prisons. LEAA believes it does not have the authority to fund programs geared predominantly to a specific subgroup of clients.
4. Maintain VA Incarcerated Veteran Outreach Program. Continuance of the VA prison visitation program would further develop linkage between the VA and the corrections systems. Direct inquiry by inmates about benefits and appeals, and information exchange directly between VA and corrections officials, enhances understanding of veterans benefits and procedures for providing them to inmates. Nearly 30,000 inmates had direct access to the VA in FY 77 through prison visits by VA officials. The continuation of this program over the next few years would assure that most incarcerated veterans have direct contact for assistance in obtaining benefits, or awareness of benefits available (such as OJT) upon release from prison.
5. Establish Veterans Assistance Specialist at major Federal and state prisons. An effective system of providing services for incarcerated veterans is through inmate self-help groups. Using CETA positions, a special staff person who could be trained at the nearest VA regional office on veterans benefits could be assigned to selected major correctional institutions to provide assistance in veterans benefits, and

work with veteran inmates. Such self-help groups in Lorton, Virginia, San Francisco, California, and Angola, Louisiana, have proved effective in offering on-going assistance. Through the LEAA and DOL information dissemination process, correctional institutions should be encouraged to apply for CETA positions for this purpose.

E. Recommendations

We recommend options 1, 2, 4, and 5.

PART SIX: INITIATIVES - RECOGNITION FOR VIETNAM-ERA VETERANS

These options are significant in examining and improving the public perception of Vietnam-era Veterans.

A. Options

1. Institute a survey of public attitudes toward Vietnam-era Veterans. A survey similar to that conducted by Louis Harris and Associates in 1971, which could be completed quickly (at about \$500,000 or less) would be valuable in ascertaining whether the attitudes of the community at large and employers in particular are what the popular media portrays them to be. In addition, it would be a valuable tool for policy makers faced with numerous veterans' issues and initiatives to have an accurate gauge of the extent and depth of the public's attitudes of both veterans and non-veterans.
2. Issue an Executive Order declaring that the Veterans Administration will be accorded the status of a Cabinet Agency, for the purpose of attending Cabinet Meetings. Since World War II, the Veterans Administration has grown steadily. Its annual budget is about \$20 billion and it employs over two hundred thousand employees. It also operates programs which parallel or duplicate the vast majority of Federal programs. There would be great advantages gained by having the VA Administrator participate in Cabinet meetings, to increase his awareness of other agencies' programs and vice versa. It would also serve to increase public awareness of the President's intention to remain attentive to the needs of Veterans.
3. Direct the Secretary of Defense to add the remains of an unidentified Vietnam War soldier to Arlington Cemetery's Tomb of the Unknown Soldier. This is an obviously symbolic gesture but would be viewed by VEV's as long overdue.

B. Recommendations

We recommend options 1, 2 and 3.

DECLASSIFIED

Per: Rac Project

ESDN: NLC-126-13-34-1-9

THE WHITE HOUSE

WASHINGTON

BY KS NARA DATE 6/10/13

July 29, 1978

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

DOMESTIC POLICY ISSUES

Electrostatic Copy Made  
for Preservation Purposes

1. NATIONAL ENERGY ACT (NEA)

--Natural Gas: My Thursday memo contains the most current information on the status of the conference report in the Senate. Senator Byrd is optimistic that cloture will be invoked and has assigned WHCL to work on votes for final passage. The Vice President will make 11 individual calls to prospective Senate supporters of cloture and final passage. We are trying to orchestrate a sophisticated lobbying effort by outside industry and business groups as well.

--Energy Taxes: There is a possibility that the Senate Finance Committee may add energy tax credit provisions from the NEA to the Tax Bill. Such action would seriously impair the prospect for an energy tax bill.

2. TAX PROPOSAL

--On Thursday, the House Ways and Means Committee adopted the Jones compromise by a vote of 25 to 12. The Committee will recommend to the Rules Committee that votes be allowed on the floor on Kemp-Roth, the Fisher substitute, the Corman substitute and the Vanik-Pickle substitute. It should be noted that the Fisher substitute received 13 of 25 Democratic votes which makes it a possible alternative to Jones.

3. REORGANIZATION

--Civil Service Reform and Reorganization: This past week found us experiencing an "on-again/off-again" arrangement between Congressman Mo Udall and the Speaker regarding the schedule for floor action. It is now set for August 9 and 10; the Rules Committee will take it up either August 2 or 8.

--House Rules Committee members have been contacted on our procedural strategy. Essentially, our aim is to obtain a rule which fails to waive a germaneness point of order relative to the Hatch Act and Firefighters Work Week titles which were added by the PO & CS committee. Such a rule allows any House Member to raise a point of order on the floor and -- on a favorable ruling from the chair (with advice from

THE WHITE HOUSE  
WASHINGTON

August 1, 1978

Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

cc: The Vice President  
Hamilton Jordan  
Stu Eizenstat  
Jack Watson

WEEKLY LEGISLATIVE REPORT

~~CONFIDENTIAL~~



the Parliamentarian) -- those two titles will be stricken from the bill. Udall has agreed to this strategy because there will be no roll call vote on the question of deletion and therefore it is a painless procedure. In addition, Udall has discussed this strategy with Bill Ford and Bill Clay and he believes they do not have any serious objections to what we are attempting to do; he feels this is especially true of Ford.

--Lloyd Meeds has agreed to take the lead for us on Rules. Udall has talked with the Speaker about this approach (as has the Vice President), and he seemed agreeable at the time.

--We are also working with the Republicans in an effort to make support for Civil Service Reform as bipartisan as possible. Ed Derwinski has arranged for a meeting between Scotty Campbell and the Republican House Leadership on Wednesday, August 2. Because deletion of the Hatch Act title is key to Republican support, we have kept Derwinski up-to-date on our Rules strategy and he concurs with it.

--In terms of your visible involvement (and that of the White House generally), several events have been scheduled for the next 10 days or so. This coming week we have:

- A Democratic Legislative Aides briefing for Monday (a similar session was held Friday), involving the Vice President, Campbell, Eizenstat and Granquist.
- A meeting involving you and the Vietnam-era Veterans Caucus on Tuesday.
- A briefing for 20-25 Democratic Members we have identified (with Udall's involvement) as supporters on Wednesday; we have scheduled you for a 15 minute segment with the group, which will lead our efforts on the floor.
- A briefing for over 100 corporate Chief Executive Officers on Wednesday (they will follow-up with meetings on the Hill).
- Your "Town Hall/Roundtable" meeting in Fairfax County (Joe Fisher's district) Thursday evening.
- Should it be necessary, we may bring a large group of "undecideds" down to the White House on the 8th or 9th for a push from you and others in the Administration.

--Our first House vote count is complete and it is encouraging. Sentiment is generally favorable, although there is a very large block of undecideds.

--The situation in the Senate is somewhat uncertain because of the shifting floor schedule for the debate on natural gas. Byrd said last week that Civil Service Reform would not be brought up before the natural gas conference report, but that was before the latest gas bill delays. There is now some possibility that it could come

up this week, although it does not now appear on the schedule.

--A few new wrinkles have come up on the Senate side that could pose some difficulty for us. As you know, Mathias and Stevens have serious problems with our proposals. As a result, Byrd and Baker have urged Ribicoff and Percy to meet with the two to discuss possible compromise solutions. Those discussions commenced late in the week and are continuing. It appears that Mathias is holding out for some changes that we would find unacceptable. And, although we believe we can avoid a filibuster, we still could face a "filibuster by amendment" fight mounted by Mathias (he is reported to have 200 amendments ready). It is clear that the Mathias/Stevens strategy is to kill the bill through delay.

--Finally, our "public outreach" activities -- which are designed to impact on both the House and Senate -- are picking up. Hamilton is overseeing the effort and all relevant offices (Wexler, Rafshoon, Kraft, Powell, Watson, Pettigrew, etc.) are involved and will be carrying out specific assignments. These efforts will be closely coordinated with our legislative strategy.

--Department of Education: S. 991 was reported out of the Senate Governmental Affairs Committee on July 27 after the Committee accepted three minor amendments offered on informal referral from the Senate Human Resources Committee. The timing on Senate action is still uncertain, pending civil service, energy, and other legislation that will precede floor action on S. 991.

--In the House, consultations are continuing with Members of the Brooks Subcommittee and other Committee Members, as well as the education leadership (Perkins, Brademas, Thompson, Ford) from the Education and Labor Committee. Representative Blouin will attempt to have a subcommittee member introduce his amendment to strike the Indian education programs. Failing to strike the transfer at the subcommittee level, Mr. Blouin will ask that the Administration meet with the major tribes to draft compromise language on the transfer.

--Representative Chisholm will testify on Tuesday, August 1, opposing the creation of the Department but has not been successful in her attempt to make this opposition a Black Caucus position.

--At present, no subcommittee Member has agreed to introduce an amendment on the vocational rehabilitation transfer (successfully offered by Mrs. Humphrey in the Senate). There has not yet been a strong effort in the House by Chairman Foley and members of the Agriculture Committee to oppose the child nutrition transfers. In the subcommittee, Representative Rosenthal is considering opposing the nutrition transfer because of opposition by the consumer groups.

--Chairman Brooks has scheduled hearings for July 31 and August 1 (the Administration will testify), and has agreed to a third and final day of hearings. We expect subcommittee mark-up to commence by the end of next week.

--Emergency Preparedness: The 30-day amendment period expired on Friday, July 28. The only significant opposition to the plan has come from Chairman Brooks over the decision to use an executive order, rather than reorganization authority, to move FPA, DCPA and FDAA. Based upon a meeting between Jim McIntyre and Mr. Brooks on Thursday, OMB believes that the Chairman will accede to the Administration's request to retain Presidential flexibility and will not oppose the plan.

#### 4. OIL IMPORT FEES

--Dole Amendment: The Speaker has promised not to appoint conferees until after the Senate has completed the natural gas bill. At last check this arrangement held. WHCL will recheck conferees and Steed to make sure everything holds.

#### 5. URBAN POLICY

--Labor Intensive Public Works: On July 26, the Senate Committee on Environment and Public Works discussed Labor Intensive Public Works. The only support for the Program came from Senator Gravel who would like to earmark a large portion of the funds to New York City. The Committee recessed without taking any action. It is likely that they will wait to see what the House will do.

--On the House side, Congressmen Roe and Johnson are developing a compromise to present the Administration. We are fearful that their proposal will be far in excess of our \$1 billion limit. They plan to have a bill by next week and go to mark-up shortly thereafter.

--Supplementary Fiscal Assistance: The Democratic Members of the Subcommittee on Intergovernmental Relations and Human Resources of House Government Operations caucused and voted 5-3 not to support any Supplementary Fiscal Assistance bill. (Against: Brooks, Fountain, Levitas, Fugua, English. For: Jenrette, Blouin, Aspin. Absent: Waxman.)

--We are continuing to push Fountain to schedule a mark-up. Stu is to meet with him. Letters to the Speaker will be sent from the New York, California, New Jersey delegations and the New England/Mid-West Coalition.

--Treasury, DPS and Wexler will also meet with interest groups this week to remind them that the time is now if they hope to get this \$1 billion program. They will be asked to contact every House Member by the end of the week.

--State Incentive Grants: Changes recommended by Muskie's staff are being considered by DPS and HUD. Mark-up is scheduled for Tuesday and Wednesday. Proxmire will oppose and sufficient support in the Committee is uncertain. The Ashley Subcommittee of House Banking will hold hearings on State

Incentives, Neighborhood Self-Help and Livable Cities August 8 - 10. (Neighborhood Self-Help and Livable Cities are in the Senate version of the HUD Authorization Bill).

--HUD Authorization: Conferees have been named and the conference could begin sometime this week. It is expected to go on through much of August. Major issues: (a) One-House Veto in House bill; (b) Targeting CD Funds to low and moderate-income -- the House bill would weaken HUD's targeting powers; and (c) Reversal of HUD Reorganization in Senate Bill.

--CETA: We expect the CETA bill to be on the House floor the week of August 7. The House leadership will be doing a whip count next week. We have found that it is important to stress that this is a reform bill and also to show many Members that CETA is more than a public service employment bill. This is not going to be an easy one. Secretary Marshall will meet with Perkins and Hawkins on Monday to work out strategy and to seek commitments that will help us make changes in the bill in conference to bring it closer to the Administration's position.

#### 6. HIGHWAY/TRANSIT LEGISLATION

--Both the Senate Public Works and Banking Committees hope to bring the Highway/Transit bill to the floor the week of August 7. The Committees are now working out a time agreement. There is general satisfaction with this legislation and problems are not anticipated in passage.

--In the House, the extension of the Highway Trust Fund is still pending before the Ways and Means Committee. We expect votes on Conable-Gibbons (\$3.5 billion cut of the Public Works Bill) and the Howard approach (\$1.4 billion cut) Tuesday morning. OMB, WHCL, DPS, and DOT are meeting Monday to assess our chances with each approach.

#### 7. AIRLINE DEREGULATION/NOISE BILL

--The noise bill could not get out of the Rules Committee last week -- it held up the deregulation bill, since Chairman Johnson had committed to get a noise bill on the floor first. The Noise bill is now expected to pass the Rules Committee Tuesday. The Deregulation bill is set for a rule either the 6th or 7th of August. If the Speaker will schedule the bill for consideration soon thereafter, we hope to get our bill to Conference where Senator Cannon and Chairman Johnson have committed to a bill we will support.

#### 8. LABOR LAW REFORM

--DOL reports that they are in a holding pattern with negotiations and that the bill is not dead.

9. HUMPHREY-HAWKINS

--The report on the bill has not been filed yet. Secretary Marshall and Charles Schultze will be meeting with Senator Proxmire next week to see if -- at the least -- he will accept a compromise on the inflation goal amendment. DOL will also need to meet with Senator Byrd in the near future in order to work out a procedural arrangement for handling the two versions of the bill as they emerge from the Human Resources and Banking Committees. DOL, CEA and Domestic Policy staff are working together. A massive effort will be needed to defeat crippling amendments and -- perhaps -- a filibuster.

10. ALASKA LANDS

--The urge to compromise is strong in Senator Jackson's Committee. Unless the Administration stands firm for a bill with at least 92 million acres and land management categories similar to those you recommended originally, the result out of committee could be unacceptable.

--There is no question that no bill is far superior to a bill that you cannot accept. If the Congress refuses to act, you will be perfectly justified in "freezing" the land under existing authorities. However, if an unacceptable bill emerges from Committee, we will have to improve it on the floor -- a difficult job late in the session -- or work to defeat it. If the latter were the case, there would appear to be less justification for "freezing" the land under existing authorities.

--Chairman Jackson retains the balance of power in his Committee. Secretary Andrus met with him Friday morning to report on your meeting with Stevens and to urge Jackson to stand firm on acreage and management categories. The Secretary was encouraged by the Chairman's response.

--About 100 volunteer environmentalists have come to town to help lobby on this bill. WHCL will invite them to the White House for special tours starting next Saturday.

11. SMALL BUSINESS ADMINISTRATION

--SBA Omnibus Authorization: Senator Nelson is trying desperately to get this bill scheduled for floor action this week. WHCL will meet with Committee staff on Monday to go over our differences. If the bill passes in its present form, your advisers will speak with one voice recommending a veto.

--Minority Business Legislation: Commerce has reached agreement with SBA and the Senate Committees on language which will require SBA and Commerce to coordinate programs to provide management and technical assistance to minority businessmen. This language

will be presented as an amendment to the SBA Authorization bill when it is voted on next week on the Senate floor. Neogtiations are also underway to have this language added to the Minority Business legislation.

## 12. NEW YORK CITY FINANCING

--The House Appropriations Subcommittee on HUD-Independent Agencies adopted on Wednesday the Treasury-approved language for the NYC financial aid appropriations bill.

--The Subcommittee has now completed mark-up, and the full Committee will take up the bill early next week.

## 13. OMNIBUS PARKS BILL

--Hearings continue before the Senate Energy Subcommittee on Parks and Recreation with the next two scheduled for July 31 and August 4.

## 14. LOBBY REFORM

--Senate Committee action on lobby reform is very unlikely. In the final analysis, Senators Muskie and Mathias have killed the bill by refusing to allow out of Committee a bill that includes all weakening amendments they themselves proposed.

--On Friday, WHCL succeeded in getting all the principals together to discuss reporting out a bill. Chairman Ribicoff was willing to report out the Muskie-Mathias bill if they would manage it on the floor. They refused to manage the bill themselves, and refused to allow us to recruit another floor manager.

--Muskie obviously is walking a tight rope between his commitment to you and his desire to stay as far away from lobby reform as possible.

## FOREIGN POLICY

### 1. SECURITY ASSISTANCE

--Action shifts to the House on Tuesday.

--Turkey: If Jim Wright maintains his support and the Speaker does not work against us, repeal of the Turkish arms embargo should be attainable. We concentrated heavily on the House before the issue began to come to a head in the Senate, and past efforts should help next week. To maximize support, we are working with key House Members to develop language similar to the Byrd-McGovern Amendment that would cushion embargo repeal with a pledge of continued effort toward a Cyprus solution. The size of the Senate margin should also be helpful in the House.

--Korea: The bill would authorize transfer of \$800 million worth of equipment to Korea. We expect an amendment either to authorize only part of the package (e.g., \$90 million) or to forbid further withdrawals after this year until and unless the full transfer package is approved and there is progress toward peace on the Korean peninsula.

--Other Amendments: Administration policy toward Rhodesia and Taiwan may attract amendments despite germaneness problems. We expect an amendment to limit arms sales to Iran. There may also be human rights related amendments to bar military assistance to countries like Bolivia and Nicaragua. Similar amendments could show up on the foreign assistance appropriation.

## 2. FOREIGN ASSISTANCE APPROPRIATIONS

--The House will consider the rule and begin debate on the bill on Monday. The bill will then be put aside until the House completes work on security assistance. A number of Members have been contacted by Congressmen Obey, McHugh, Wilson and Conte for handling floor amendments. Follow-up calls are being made by Administration officials. AID has also prepared floor books with detailed material for response to all known or suspected amendments and other backup materials for the use of those who will primarily be responsible for defending the bill on the floor.

--Although Chairman Long asserts that if his IFI cut amendment succeeds Miller will not offer his 8% cut, aides to Miller have been reported as saying that if another Member proposes an across-the-board cut Miller will offer his to prevent anyone else from co-opting his usual role.

--Chairman Mahon is reported to have said that he "might have to support the (Subcommittee) Chairman" (Long).

--Governor Gilligan met last week with Congressman Joel Pritchard, Chairman of the Wednesday Group, Congressman John Anderson, Chairman of the Republican Conference and Congressman Gilman, a Member of the HIRC, in a continuing effort to enlist Republican support for the bill. All agreed to help and asked for names of Republicans who need "shoring up".

## 3. STATE AUTHORIZATION

--Conference action, tentatively set for late next week, is liable to slip. We are working to remove several provisions:

- Senate Section eliminating the so-called "Third Agency Rule" and requiring an agency to furnish information to Congress upon request "notwithstanding the department . . . or independent agency of origin."

- Senate Section requiring the Secretary of State to report to Congress the reasons why the U.S. does not maintain normal diplomatic relations with all countries.
- Senate Section restricting the establishment of diplomatic relations with Angola unless the President certifies that to do so is in the national interest.
- Senate Section -- a sense of the Congress that the President should sever existing diplomatic relations with Cuba until such time as Cuba removes its military forces from Africa.
- Senate Section -- a sense of the Congress stating that in determining whether an international agreement should be submitted as a treaty, the President should, prior to and during the negotiations, seek the advice of the Senate.
- House Section prohibiting the direct or indirect use of any funds to effect implementation of the Panama Canal Treaties without an Act of Congress authorizing their implementation.
- Senate Section withholding from the U.S. contribution to the UN that portion proportionate to the budget for the Palestinian Rights Committee.
- House Section providing for the computation of annuities based on the highest one year of service.

#### 4. MILITARY CONSTRUCTION

--The Conference on Military Construction begins this week. The most controversial issue remains pre-financing of NATO construction in support of our forces in Europe.

#### 5. DEFENSE APPROPRIATION

--Given the momentum achieved with the tie vote on the Yates carrier deletion amendment, we are forging ahead with a joint DOD-OMB-WHCL effort to delete the carrier in House floor action. This campaign will include the following elements:

- To support the Yates approach -- deletion of ALL carrier funding from the 1979 budget.
- We are recommending a Presidential meeting with Chairman Mahon early Tuesday morning. If Mr. Mahon will lead our effort to kill the carrier, as his last major congressional battle, we believe it will favorably influence many Members to vote with us.



- DOD is drafting a letter from you to Chairman Mahon to clarify our views on the carrier. We intend that this letter be distributed to every House Member.
- We are attempting to secure at least six credible co-sponsors for the Yates amendment. Possibilities include Addabbo, Burlison, Edwards and Giaimo. A co-sponsor with a "hawk" image, such as Mendel Davis, Sonny Montgomery or Joe Waggonner, would also be very helpful in securing broad-based, bipartisan support.

--OMB, WHCL and DOD will meet early Monday afternoon to divide up Member contacts and to discuss overall strategy.

--While this effort is moving well now, we are disappointed that it took DOD so long to become involved in appropriations for the carrier. OMB informed the Department about two weeks ago that Bill Burlison would support an Administration amendment on this issue, but DOD waited over a week to contact him.

--We are fairly optimistic that the nuclear carrier can be deleted given the post-Prop 13 mood of the House. Many Members will respond favorably to such a targeted cut as opposed to an across-the-board cut which might weaken the Services.

#### MISCELLANEOUS

--The Senate: Senator Byrd has indicated that, except for high priority legislation, bills reported out of Committee after last Friday will not be scheduled. As is usual for the end of a session, small groups of Senators now have immense leverage on bills they oppose. We can expect some drastic compromises on major legislation in order to move bills onto and off the floors as quickly as possible. Civil Service Reform is a likely candidate.

--Virtually all less important but controversial bills are now dead for this Session. Lobby Reform and No-Fault fall into that category. Major bills are increasingly susceptible to the threat of filibuster. Advocates of these bills will be willing to sacrifice much in order to achieve a time agreement for floor consideration. Opponents will be seeking guarantees that a deal struck in the Senate will last through conference. This requires assurances by House conferees as a condition for favorable Senate action. We must remain watchful and prepare for decisions on short notice that could have far-reaching consequences.

--Ad Hoc Committee on Energy: Chairman Ashley allowed -- for the first time -- that the House may pass a "four or five-part NEA"; his previous statements have been quite firm as to sticking by the full five-part NEA package.

--Chairman Jack Brooks, an outspoken opponent of Robert Griffin, was pleased with your actions and hopes that you will stand firm.

--Congressman Van Deerlin sees the Veterans Preference issue with regard to Civil Service Reform as a tough political vote for him but is willing to do it for you.

--Agriculture reports receiving good reports from the Congress and cattle industry spokesmen in the wake of the meeting they had with you last Tuesday.

--Census Advisory Committee: Secretary Kreps plans to meet with Senator Glenn next week concerning his opposition to the Census Advisory Committee and will present the Administration's position on establishment of the Committee. The Secretary's response to Senator Glenn's letter was sent Friday.

--Congresswoman Mikulski was willing to be very cooperative on Civil Service Reform, but is now undecided because she feels that her suggestions about how to deal with the Veterans Preference provision were ignored and she has now been placed in a difficult political position in her district.

--Senator Hollings, while expressing his desire to be helpful, said privately he believes the White House is terribly disorganized. He cited your "failure to have a chief of staff who would administer the White House and apply even the most basic principles of organization" that he thinks are common to businesses or other large functioning groups. He also complimented Hamilton on his political acumen.

--Two California papers ran articles last week concerning your meeting with Senator Cranston a couple of weeks ago; he is upset about the publicity.

--Congressman Butler Derrick has told WHCL that he wants to do anything he can, either publicly or in Congress, to support you.

--Press reports aside, many Members of the 94th Caucus commented favorably on last week's meeting.

## FLOOR ACTIVITIES, WEEK OF JULY 31

### House

#### Monday - 2 suspensions

1. HR 9998, Ocean Shipping Act of 1978
2. HR 5044, Duties Suspension on Strontium Nitrate

HR 12514, Foreign Aid Authorizations, FY 79

HR 12931, Foreign Aid Appropriations, FY 79

#### Tuesday - 2 suspensions

1. HJ Res 685, Firefighters' Memorial Sunday
2. HJ Res 963, POW-MIA National Recognition Day

HR 12514, Foreign Aid Authorizations, FY 79

#### Wednesday

HR 12931, Foreign Aid Appropriations, FY 79

#### Thursday

HR 13635, Defense Appropriations, FY 79

#### Friday

HR 13635, Defense Appropriations, FY 79

### Senate

#### Monday

S 2152, IMF Bill

Also scheduled for this week:

S 3243, Local Public Works

S 2384, Veterans Pension Bill

S 2090, CSA Authorization

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

July 31, 1978

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER  
FROM: GRETCHEN POSTON *GP*  
SUBJECT: RECEPTION FOR ASIAN-AMERICANS - AUGUST 1, 1978

1:30 p. m.

Guests arrive through SW Gate from briefing in the EOB and proceed through Diplomatic Reception Room to State Dining Room.

Light lunch served buffet style

2:00 p.m.

PRESIDENT joins MRS. CARTER at elevator on State Floor and proceeds to Great Seal in Cross Hall.

NOTE: Aides have briefed guests on moving through the receiving line in couples in the following manner for photo:

President greets Mrs. X and moves her to his right. President greets Mr. X and gives him to Mrs. Carter at her left. (Couple is then in between President and Mrs. Carter for photo)

2:15 p.m.

Receiving line completed and President and Mrs. Carter move to podium in Main Hall for REMARKS.

Following remarks, President and Mrs. Carter depart State Floor.

(A schedule of their activities for the day is attached.)

At this time no press has been requested.

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DECLASSIFIED  
Per: Rac Project  
ESDN; NLC-12613-39-208  
BY *K/S* NARA DATE *6/10/13*

*File  
Asian  
American*

# DEMOCRATIC

NATIONAL COMMITTEE 1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

JOHN C. WHITE, Chairman

MEMO :

TO: National Finance Council  
Presidential Club Members

FROM: Joji Konoshima  
Esther G. Kee

DATE: July 27, 1978

SUBJECT: Schedule for White House Reception

July 31st  
Monday

*Call  
Esther*

9:15 a. m.	Assemble at the lobby of Hyatt Regency Hotel
9:45 a. m. to 11:30 a. m.	Special Tour (arranged by I M Pei) East Wing of the National Gallery of Art at 4th Street and Constitution Avenue
12 noon	Lunch (on your own) Suggested lunch in National Gallery of Art ( the food is very good)
2:30 p. m.	Immigration and Naturalization Service 425 I Street, N.W. , Room 7114  Briefing by: KARL WACK, Associate Com- missioner of the INS  Subject: Foreign Medical Graduates (limited to 25 participants)
2:30 p. m.	Equal Employment Opportunity Com- mission, 2401 E Street, N.W. , Room 20506  Briefing by: ELEANOR H. NORTON, Chairperson, EEOC  Subject: Monitoring Bakke Case Asian American Complaints Discrimination among Asian American Professionals (limited to 20 participants)

3:50 p. m. State Department East Asian Bureau  
C St. and 23rd St. (Diplomat Entrance) Room 6210, East Asian and Pacific  
Conference Room

Briefing by: RICHARD HOLBROOKE,  
Assistant Secretary of State for East Asian  
and Pacific Affairs

Subject: Asian American Affairs

5:15 p. m. Democratic National Committee  
1625 Massachusetts Avenue, 4th Floor

Briefing by : JOHN C. WHITE, Chairman

\*\*\*\*\*

EVENING AT LEISURE

\*\*\*\*\*

August 1, 1978

Tuesday

10:45 a. m. Meet at Hyatt Regency Hotel lobby

11:00 a. m. Bus departs for White House

11:30 a. m. White House Briefing

Introduction by JOJI KONOSHIMA  
Asian American Affairs Unit of DNC

Ambassador Alan Wolff, Deputy Ass't to Robert  
Strauss (special trade representative)

C. FRED BERGSTEN from Treasury  
Department (assistant secretary)

HAMILTON JORDAN , assistant to the  
President

1:15 p. m. White House "Southwest Gate"

1:30 White House Reception with President and  
to Mrs. Carter , light lunch  
2:30 p. m. receiving line and picture taking

4:00 p. m. Housing Urban Development  
451 7th St. , S. W. , Room 9100  
(place and time subject to change)

*Mrs. Carter*

Briefing by: LAWRENCE P. SIMONS,  
Assistant Secretary of HUD

Subject: Rehabilitation Housing Program  
Senior Citizens' Housing Program

4:00 p. m.

Small Business Administration  
Hyatt Regency Conference Theatre (main Lobby)

Briefing by: VERNON WEAVER, Administrator of SBA

Subject: How SBA and the Asian American  
Community can Interface with SBA programs

6:30 p. m.

Cocktails at Golden Palace Restaurant  
726 7th St., N.W.  
Washington, D. C.

7:30 p. m.

Dinner served

Honored guest : Asian American National  
Finance Council members

Participants: Members of Congress  
White House Staff  
Democratic National Committee Staff

## THE WHITE HOUSE

WASHINGTON

July 31, 1978

## MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, JERRY DOOLITTLE *JW*

SUBJECT: Asian-American Reception Drop-by

1. During the campaign, we set up what I believe was the first Asian Affairs unit in a Presidential election, to represent the interests of the 3 million Asian-Americans. The head of that unit, Joji Konoshima, tells me today's event is another first: the first time there has been an all Asian-American reception at the White House. Thank you for coming, and thanks to Joji and Esther Kee for including me on your program.
2. The contribution of Asian-Americans to our culture is particularly visible in Washington. I recently spoke at the dedication of the National Gallery's East Wing, which you visited today. It is a stunningly beautiful building, and I am delighted to have a chance again today to meet with its architect, I.M. Pei. (Pronounced "Pay".)
3. It's little known in the country at large, but hundreds of Chinese immigrated to the Delta country of Mississippi during reconstruction days. They began by picking cotton, and went on to become successful businessmen and professionals.

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Per: Rac Project

ESDN: NLC-126-15-34.1-0

BY: *123* NARA DATE *6/10/13*



In this they are typical Asian-American immigrants. Certainly few if any immigrant groups have worked harder and with more success than Asian-Americans -- despite problems that have not yet entirely disappeared. I hope to work with you toward the day when all Americans can advance as rapidly in life as their abilities permit.

4. The changing of our nation's immigration laws in 1965, away from the national origins formula, opened the door to much greater immigration from Asia. The Indochinese war added to that tide. I welcome this development, and am confident your skills and energy will strengthen our nation.

5. I particularly hope members of the Asian-American community will follow the lead of the men and women here today by becoming involved in politics. The political judgment of Asian-Americans is extraordinarily good, I have learned. For example, young Asian-Americans register as Democrats by a three to one margin.

6. (Note: The group had a lively meeting with Dick Holbrooke yesterday, asking questions about Taiwan and urging a larger voice for Asian-Americans in our Asian policy-making. Mike Oksenberg thought you might head off controversy with something like: "I know you met with Dick Holbrooke yesterday, and I'm pleased to know that State will provide you access so that Secretary Vance can keep me informed of your thinking on matters that concern you.")

2:00 PM

THE WHITE HOUSE

WASHINGTON

July 31, 1978

MEMORANDUM FOR: RICK HUTCHESON

FROM: MICHAEL OKSENBERG

SUBJECT: Background for the President's Drop-By  
at the Reception for the Asian-American  
Community Leaders Delegation, August 1,  
2:00 PM

The President should be aware of these points:

-- While the group grows out of the Asian-American organization which supported the President during his election campaign, it is politically more conservative in caste than the total spectrum of Asian-Americans. It is not a representative organization of Asian-Americans; such a broadly based organization does not exist. The President therefore must be careful not to legitimize this organization as the only one to which the Administration would pay attention as it consults Asian-Americans either about matters of domestic or foreign policy. (C)

-- One of the group's major interests is to secure greater access and influence on the making of our policies toward Asia. The group had a meeting with Assistant Secretary of State for East Asian and Pacific Affairs Richard Holbrooke to establish this issue with the President, but I recommend that the President pre-empt the issue by favorably referring to the Holbrooke meeting and by stating that this organization, as well as others composed of Asian-Americans, should direct their concerns to the State Department. State in turn will communicate swiftly and directly to the President. (C)

-- The group has specific and hard questions to ask the President about a number of Asian policy issues -- the Korean troop withdrawal, the Philippine base negotiations, Taiwan, Vietnam, and so on. No remark made to this group will remain off the record, and it is always possible that the session could become somewhat acrimonious and emotionally charged. It is probably best, therefore, for the President neither to field questions from this group nor to give its leaders an opportunity to express their concerns to him. The President should remain totally in charge of the few minutes during which he appears with this group. (C)

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~~CONFIDENTIAL~~

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Per, Rac Project  
ESDN: MLC-126-13-34-2-8  
BY KS NARA DATE 6/9/13

**CONFIDENTIAL**

DEPARTMENT OF STATE  
WASHINGTON

July 18, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: Warren Christopher, Acting *WC*

SUBJECT: Secretary Schlesinger's  
Memorandum of July 13 on  
Away-From-Reactor (AFR)  
Storage Capacity and  
Barnwell

On July 13, Secretary Schlesinger sent you a memorandum in which he requested authority to explore the purchase and development of Away-From-Reactor (AFR) storage for spent nuclear fuel from domestic and foreign reactors. The Department of State supports this request. We believe that the expansion of existing AFR storage would significantly advance U.S. nuclear non-proliferation objectives.

In your address last October before the Organizing Conference of the International Nuclear Fuel Cycle Evaluation (INFCE), you extended a United States offer to store limited quantities of foreign spent fuel. The U.S. offer, developed in an effort to provide a credible alternative to the reprocessing of spent nuclear fuel, has aroused considerable interest and support. However, the implementation of the offer depends upon the expansion of our domestic spent fuel storage capacity to permit storage of spent fuel from foreign countries. Thus, until the domestic storage program is underway, the U.S. will be unable to offer AFR storage to help solve sensitive nuclear non-proliferation problems (e.g., our differences with India over spent fuel from the Tarapur reactor) or to strengthen the U.S. position in important upcoming negotiations (e.g., with Japan on reprocessing and related nuclear matters).

**CONFIDENTIAL**

DECLASSIFIED  
Per: Rac Project  
ESDN: NLC-126-13-34-5-7  
BY: KS NARA DATE 6/10/13

Date: 15 July 1978

MEMORANDUM

## FOR ACTION:

Eizenstat  
Moore  
Watson  
Brzezinski  
McIntyre  
Press ✓  
Warren

## FOR INFORMATION:

The Vice President  
Wexler

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schlesinger memo, "Away-From-Reactor Storage Capacity and Barnwell"

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 5:00 PM

DAY: Tuesday

DATE: 18 July 1978

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☒ I concur. *HP*☐ No comment.*Please note other comments below:*

The successful implementation of this carefully thought-out proposal would strongly contribute not only to your non-proliferation goals but also to any of the possible nuclear waste management strategies that might be presented to you in September.

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone 7052)

17 JUL 1968

1. The purpose of this report is to provide a summary of the results of the study conducted by the author during the period from July 1, 1967, to June 30, 1968. The study was conducted in order to determine the effect of the new procedure on the accuracy of the results.

3711

THE WHITE HOUSE  
WASHINGTON

August 1, 1978

Secretary Marshall  
Jim McIntyre

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Stu Eizenstat  
Charlie Schultze  
Jerry Rafshoon

OSHA

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
/	EISENHOWER
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
/	MCINTYRE
/	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
/	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
/	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE  
WASHINGTON

7/31/78

Mr. President:

Eizenstat's cover memo is attached.

Schultze concurs with the basic thrust of the OSHA Task Force Report, but has reservations about 3 of the 14 recommendations. He agrees with Stu that approval of the "general direction" of the Task Force should not constitute your approval of any specific final recommendation.

Rafshoon recommends that you not be identified with the Task Force results. The Report should be released quietly from Labor, without any White House comment.

--Rick



THE WHITE HOUSE

WASHINGTON

July 31, 1978

C

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
SI LAZARUS *SL*

SUBJECT: Marshall-McIntyre memo on workplace safety  
and health protection

This memo informs you of the "First Recommendations" of the Interagency Task Force you established last August to study Federal workplace safety and health protection programs, primarily in OSHA.

Attached to the memo is a six-page Executive Summary of the Task Force's report, which there is no need for you to read.

As the memo notes on page 1, the 14 recommendations offered by the Task Force involve administrative steps requiring no legislation. They are also commendable and non-controversial, and with virtually no exceptions, require action by the Labor Department exclusively. (Most of them are aimed at more rational targeting of OSHA inspections, more flexibility in enforcement, and better dissemination of information about sound safety and health practices.) Since Secretary Marshall signed the memo, implementation presumably will involve no intra-administration controversies.

We are told by the Executive Director of the Task Force staff that the recommendations will be enthusiastically received by industry and labor groups, as well as by OSHA itself. Given the tense history of the OSHA regulatory environment, such a reception could in itself be a small but worthy regulatory reform achievement. Such industry and labor support could also help create a better climate for reception of the Task Force's "Final," more far-reaching, recommendations in the fall.

We recommend that you approve release of the recommendations, and that you approve the "general direction" of the Task Force, as requested by Jim and Ray, with a caveat that this does not constitute approval of any specific Final Recommendations, until you see them.

ATTACHMENT



INTERAGENCY TASK FORCE ON  
WORKPLACE SAFETY AND HEALTH  
Rosslyn, Virginia 22209



JUL 19 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

*Ray Marshall*

*WAW & WBL L J.T.M*

Ray Marshall and James T. McIntyre, Jr.

SUBJECT:

Strengthening the Federal Role in Protecting  
Workplace Safety and Health

At your direction we have been co-chairing an Interagency Task Force on the above topic. With this memorandum we submit a report of the Task Force's First Recommendations, and request (1) your approval of our general direction, (2) your authorization to release these recommendations to the public, and (3) any specific guidance on additional topics you may wish the Task Force to cover in its Final Report.

BACKGROUND

In your Memorandum of August 5, 1977 chartering the Task Force, you stated your intent to be sure that Federal programs are successful both in reducing threats to the health and safety of American workers and in assisting employers to make adjustments necessary to achieve this goal.

FIRST RECOMMENDATIONS

The Task Force has proposed 14 First Recommendations for improvements. They are listed in the Executive Summary of the attached report. All these recommendations may be implemented by non-legislative actions and are designed to achieve results within a short time frame.

Tragedies such as the recent death of 51 workers in the collapse of a scaffold at Willow Island, West Virginia, clearly indicate the need to maintain a strong regulatory program. But they also illustrate the limitations of a strategy that relies solely on Federal compliance inspections. Even with improved targeting of hazardous establishments, OSHA compliance officers will never be able to be everywhere and prevent all accidents at once.

Implementing our first recommendations will continue and extend OSHA's current internal accomplishments to improve the existing regulatory approach by:

- o better using scarce inspection and standard-setting resources
- o increasing business flexibility for hazard control
- o further reducing unproductive regulatory requirements on large and small business
- o increasing public awareness of and involvement in workplace safety and health
- o increasing employer access to present sources of financial and technical assistance
- o making the Federal worksite a model for private sector efforts.

#### FINAL REPORT

For its Final Report, scheduled for draft completion in 90 days, the Task Force is evaluating recommendations for more far-reaching changes in emphasis and direction in the Federal regulatory role.

The record shows that there are wide variations in injury rates among similar size firms in the same industries. Task Force analysis to date indicates that the more successful safety programs incorporate organizational and behavioral elements which go beyond compliance with regulatory standards. More widespread use of these elements would be difficult to attain through direct government regulation alone.

It is therefore apparent that workplace safety and health improvements must involve the joint efforts of government, employers, and workers. The Task Force's Final Report will outline an overall strategy for the Federal government to achieve more cooperative action by all three groups.

This strategy may include:

- o Providing better information on workplace hazard recognition, hazard abatement, and the relative importance of hazards in specific workplaces.
- o Developing up-to-date design and control technology for containing identified hazards.

- o Providing increased financial and technical assistance to enable employers to use this information, helping to reduce differential impacts on smaller or less profitable companies.
- o Other incentives and disincentives to encourage the private sector to take an active role and create the organizational effectiveness to use such information and resources.

This strategy will centrally consider possible anti-inflationary or inflationary effects, as well as other elements emphasized in your recent Executive Order on Improving Government Regulations.

PRESIDENTIAL DECISION

1. Approve general direction of Task Force; release recommendations. ✓
2. Disapprove.
3. Other comments.

Attachment



## EXECUTIVE SUMMARY

The purposes for which this Task Force was created by President Carter are summarized in the preceding Foreword. This First Recommendations Report consists of four sections which:

- ° Describe the Task Force's findings on likely causes of workplace injuries and likely cures for those causes.
- ° Begin to develop from this review an overall strategy to improve workplace safety and health, and reduce the regulatory burden on the private sector.
- ° Present fourteen first recommendations for short-term actions to improve Federal efforts in this area.
- ° Summarize a sample of the answers received from the public in response to the Task Force's Federal Register request for comment on the strengths and weaknesses of existing governmental regulatory workplace safety and health programs.

The First Recommendations for improvement which this Report presents:

- ° Are focused to improve the present regulatory process.
- ° Are designed for short-term implementation and do not require new legislation.
- ° Are meant to extend recent efforts and achievements of the Occupational Safety and Health Administration, the primary Federal agency responsible for workplace regulation in this sphere.
- ° Are intended both to form a coherent short-term package and to be building blocks for larger recommendations now being considered by the Task Force.

## Section II

### Likely Causes of Workplace Injuries

Likely causes of workplace injuries, or risk factors, can be grouped into six areas which vary in the degree to which they can be affected by employers, employees, and government:

- physical equipment and process characteristics
- workspace characteristics
- job design characteristics
- employee characteristics
- management characteristics
- industry/establishment characteristics

Since its inception, accident prevention by OSHA has focused almost entirely on the interface between the worker and physical objects and surroundings used in performing work (e.g., unguarded punch press, oil spill on floor, use of protective equipment).

This policy has chiefly been enforced by inspection to ensure compliance with a combination of physical and work practice standards. That approach has increased private-sector awareness of job safety and health problems. But it also:

- Is estimated, with present standards, to possess a potential for preventing perhaps 25% of workplace accidents by itself, since most injuries involve the behavior of management and workers as well, and some hazards are transient and will not be seen during an inspection.
- Affords less protection to the 16 million workers in smaller establishments of under 25 employees which cannot efficiently be reached by actual inspections (for example, establishments with over 250 workers contain 45% of the total workforce and are inspected on average once every 4 years; those with under 25 workers contain 24% of the total workforce, but are inspected on average once every 125 years).

It is also noteworthy that:

- ° 25-50% of reported occupational fatalities are caused by circumstances (e.g., highway motor vehicle accidents, heart attacks, and violent acts committed between employees or by outsiders upon employees) that are unlikely to be prevented by OSHA regulation.
- ° A relatively small number of repetitive accident types in each industry account for most of those industries' severe injuries (as measured by the size of resulting workers' compensation awards).

Likely Cures - Implications for an Overall  
Strategy for Improvement

Wide variations in injury rates--sometimes differing by a factor of 6 or more--exist among similar sized companies in all industries. Companies with much better safety records:

- ° Have a perspective that all accidents are potentially preventable because risk can be managed.
- ° Incorporate workplace safety and health as an integral part of the manufacturing or production process, rather than as a separate staff function.
- ° Have programs to reduce many or all of the likely risk factors previously listed, not just the physical risk factors.
- ° Have management and organizational structures which support these activities.

Section III

An Emerging Overall Strategy

Not all the preceding attributes of particularly successful safety programs can be achieved by direct regulation. Reduction of workplace injuries and illnesses must therefore be a shared responsibility of government, employers, and



employees. A compliance program for improvement must be based on a strategy which prevents accidents by more precise and productive enforcement of standards. At the same time it must promote cooperative private-sector preventive activities by assisting employers and employees in obtaining:

- ° Usable information on hazard recognition, hazard abatement, and the relative importance of various hazards in their particular operations.
- ° Up-to-date design and control technology for containing identified hazards.
- ° Financial and technical assistance to use this information.
- ° Incentives to take an active role and create organizational structures to institutionalize effective use of these resources.

Section III describes some of the specific options being considered in each of these areas, in the context of an emerging overall strategy for workplace safety and health improvement.

## Section IV

### First Recommendations

These recommendations for short-term action can stand by themselves but are also meant to be building blocks for the emerging longer-range options being considered in Section III. They include 14 recommendations that specific governmental actions be taken, as well as 2 recommendations against taking specific governmental contract actions in which significant interest has been expressed. These proposals are that:

- ° The President and Department of Labor should make Federal agency work sites models for private sector efforts. Vigorous steps should be taken to secure the commitment of top agency management and provide relevant information to stimulate agency progress toward fixed goals.
- ° OSHA should incorporate more accident investigations in its enforcement program, and use the results to determine which standards violations are most likely to cause significant harm. This information will help inspectors discover and abate more serious violations per inspection. It will also help employers and workers prevent injury by enabling them to focus on injury-causing violations first.

- ° OSHA should relieve employers of unnecessary inspection burdens by expanding required telephone reports of injuries beyond fatalities and catastrophes to include amputations and hospitalizations. The additional information will help better to identify serious violations, schedule inspections more productively, and encourage voluntary control of serious hazards, especially in smaller firms.
- ° The Department of Labor should improve safety conditions for job trainees and increase safety consciousness by providing training in hazard recognition and safe practices in all CETA programs.
- ° The Department of Health, Education and Welfare should create incentives to include similar training in state vocational-education programs.
- ° OSHA should promote flexibility and reduce unproductive regulatory burdens by issuing safety citations permitting abatement in accord with the language of cited standards "or the substantial equivalent," as determined by area directors.
- ° OSHA should increase public access to information, reduce regional differences in interpreting and complying with standards, and better promote agency-wide coordination by implementing on a phased basis a nationwide hot line to act as an information clearinghouse and give uniform compliance and abatement advice.
- ° OSHA should further promote innovation and compliance flexibility by increasing the availability of variances from existing standards.
- ° OSHA should increase the public's knowledge and understanding of workplace hazards by regularly providing newspapers and other media with local-interest articles on job hazards and how they can be prevented.
- ° OSHA should supplement its health enforcement efforts by phasing in use of college-degree paraprofessionals to assist industrial hygienists.
- ° OSHA and the Small Business Administration should revise the present SBA-OSHA Loan Program to provide wider availability of abatement funds to help small business eliminate safety and health hazards.
- ° OSHA should promote effective safety and health programs by formally asking the Securities and Exchange Commission to require that publicly-traded firms disclose high injury rates, illness rates, and associated costs in annual reports and stock prospectuses.

- ° OSHA should better utilize its limited standard-setting and enforcement resources, and maximize worker protection, by issuing criteria for determining which hazards will become the subject of proposals and of final standards.
- ° OSHA should request a formal antitrust opinion on the permissible extent of joint research ventures for job safety and health purposes, in order to promote safety and health abatement, reduce disproportionate impacts on smaller firms, and facilitate cooperative development of new technology.
- ° The Department of Labor should refrain from using incidence rates or past OSHA violations for selection of government contractors.
- ° The Department of Labor should reserve potential use of contract debarment to promote safety and health in favor of more efficient sanctions at this time.

## Section V

### Sample of Responses to Federal Register Request for Public Comment on Strengths and Weaknesses of Existing Government Efforts to Promote Job Safety and Health

As part of its continuing effort to elicit and consider public views in developing recommendations to improve workplace safety and health, the Task Force published a "Request for Public Comment on the Strengths and Weaknesses of Existing Governmental Regulatory Workplace Safety and Health Programs" in the Federal Register of Friday, February 24, 1978 (43 Fed. Reg. 7929). Memo-randa and letters enclosing a copy of this Federal Register notice were mailed to members of Congress, to the Governors of each State, and to interested individuals, businesses, labor unions, trade associations, and other organizations.

Section V summarizes a sample of approximately 10% of the responses received by the Task Force as of April 17, 1978. A full report summarizing all responses, including those received after April 17, will appear in the Final Report.

WASHINGTON

DATE: 20 JUL 78

FOR ACTION: STU EIZENSTAT

JODY POWELL

JACK WATSON *attached*JERRY RAFSHOON *attached*CHARLIE SCHULTZE *attached*

INFO ONLY: THE VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

ANNE WEXLER

SUBJECT: MARSHALL MCINTYRE MEMO RE STRENGTHENING THE FEDERAL ROLE  
IN PROTECTING WORKPLACE SAFETY AND HEALTH

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1100 AM SATURDAY 22 JUL 78 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

not submitted  
per Gansel  
via phone

July 26, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze <sup>CLS</sup>

SUBJECT: Marshall/McIntyre Memo, "Strengthening the Federal  
Role in Protecting Workplace Safety and Health"

I concur with the basic thrust of the OSHA Task Force Report, but would like to comment briefly on a few of their recommendations.

There are two proposals in the report, which call for added flexibility in the enforcement process, that I particularly endorse as important to improving OSHA's regulatory process. One proposal would permit firms to meet OSHA Inspectors' objections either by the means specified in the standard, or their "substantial equivalent". Another calls upon OSHA to increase the use of its procedure for granting variances from standards when alternative means of compliance are available. Currently, innovation and technological change in the field of occupational safety and health are too often stifled by overly narrow specifications of the means of compliance with OSHA standards. This was one our major concerns with the OSHA Cotton Dust standard. If effectively implemented, these two proposals would encourage the development and use of cheaper means of compliance and thereby lower the cost to the private sector of meeting regulations.

There are two other proposals in the Report that should be developed in greater detail before receiving your endorsement.

First, the Task Force proposes that the President and the Department of Labor make Federal agency work sites models for private sector efforts. It is hard to argue with this goal, but it would be inadvisable to endorse this proposal without knowing its particulars, its cost, and how it is to be carried out.

Second, the Task Force proposes that the SEC be asked to require publicly traded firms to disclose "high rates of injury and illness, and their associated costs," in annual reports and stock prospectuses. This is potentially a complex and controversial proposal. It needs to be developed in greater detail before receiving Administration approval.

Finally, I recommend that you make it clear in your response to the Task Force that their proposal to expand the present SBA-OSHA Loan Program should not be accomplished through the creation of a separate new loan program, but rather through their existing programs.

WASHINGTON

DATE: 20 JUL 78

FOR ACTION: STU EIZENSTAT

JODY POWELL

JACK WATSON

JERRY RAFSHOON

INFO ONLY: THE VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

ANNE WEXLER

SUBJECT: MARSHALL MCINTYRE MEMO RE STRENGTHENING THE FEDERAL ROLE  
IN PROTECTING WORKPLACE SAFETY AND HEALTH

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1100 AM SATURDAY 22 JUL 78 +  
+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THIS IS NOT SOMETHING THAT THE PRESIDENT SHOULD BE VERY PUBLICLY  
IDENTIFIED WITH. WHEN THE RESULTS ARE RELEASED THEY SHOULD COME QUIETLY  
FROM LABOR, OMB OR BOTH BUT NOT FROM THE WHITE HOUSE AND CERTAINLY  
NOT WITH ANY PRESIDENTIAL STATEMENT.

THE WHITE HOUSE  
WASHINGTON

July 24, 1978

MEMORANDUM FOR STAFF SECRETARY

FROM: JACK WATSON

SUBJECT: Marshall/McIntyre Memo  
re: The Federal Role in  
Protecting Workplace  
Safety and Health

Have the real and perceived inflationary impacts of these proposals been considered?

No other comments.



WASHINGTON

DATE: 20 JUL 78

FOR ACTION: STU EIZENSTAT

JODY POWELL

JACK WATSON

1978 JUL 20 AM 11 14

JERRY RAFSHOON

INFO ONLY: THE VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

ANNE WEXLER

SUBJECT: MARSHALL MCINTYRE MEMO RE STRENGTHENING THE FEDERAL ROLE  
IN PROTECTING WORKPLACE SAFETY AND HEALTH

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1100 AM SATURDAY 22 JUL 78 +  
+++++

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

August 1, 1978

21

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Security Violations  
(Per Your Request)

Attached for your information are the security violations for the month of July, 1978.

THE WHITE HOUSE

WASHINGTON

August 1, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: DR. BRZEZINSKI  
FROM: HUGH CARTER   
SUBJECT: Security Violation

The President has asked that I make you aware of the following security violation:

Date	Name	Nature of Violation
7/6	Sheila Lopez	Secret folder left on desk

cc: The President

THE WHITE HOUSE  
WASHINGTON

August 1, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: FRANK MOORE  
FROM: HUGH CARTER *HC*  
SUBJECT: Security Violations

The President has asked that I make you aware of the following security violations:

Date	Name	Nature of Violation
7/12	Karen Fizer	Confidential material found in In Box
7/22	Meg McAleer	Safe containing classified material found open
7/25	Frank Moore	Confidential material found on desk

cc: The President

THE WHITE HOUSE

WASHINGTON

August 1, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JODY POWELL  
FROM: HUGH CARTER *HC*  
SUBJECT: Security Violation

The President has asked that I make you aware of the following security violation:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
7/20	Jody Powell	Secret material found on desk

cc: The President

THE WHITE HOUSE

WASHINGTON

August 1, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: PHIL WISE  
FROM: HUGH CARTER *HC*  
SUBJECT: Security Violations

The President has asked that I make you aware of the following security violations:

Date	Name	Nature of Violation
7/6	Mary Rawlins	Safe containing Secret and Confidential material found open
7/23	Phil Wise	Confidential material found in credenza
7/24	Liz Savage	Confidential material found in bookcase
7/24	Scott Douglas	Confidential material found in folder on desk

cc: The President

THE WHITE HOUSE

WASHINGTON

August 1, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: THE VICE PRESIDENT  
FROM: HUGH CARTER *HC*  
SUBJECT: Security Violation

The President has asked that I make you aware of the following security violation:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
7/13	Gail Harrison	Secret material found on desk

cc: The President

THE WHITE HOUSE

WASHINGTON

August 1, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: MIDGE COSTANZA  
FROM: HUGH CARTER *HC*  
SUBJECT: Security Violation

The President has asked that I make you aware of the following security violation:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
7/10	Midge Costanza	Confidential papers found in unlocked briefcase.

cc: The President



THE WHITE HOUSE

WASHINGTON

August 1, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: HAMILTON JORDAN  
FROM: HUGH CARTER *HC*  
SUBJECT: Security Violation

The President has asked that I make you aware of the following security violation:

<u>Date</u>	<u>Name</u>	<u>Nature of Violation</u>
7/21	Hamilton Jordan	Top Secret material found in desk
7/31	Hamilton Jordan	Secret and Confidential material found desk

cc: The President

THE WHITE HOUSE  
WASHINGTON

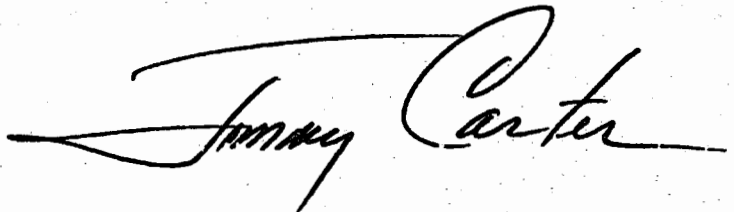
August 1, 1978

To Barry Jagoda

It is with regret that I accept your resignation,  
effective October 1, 1978.

I am glad that you will continue to consult with  
us in the area of media and public affairs. Your  
advice is much needed and I am confident that you  
will respond vigorously and imaginatively.

Your friend,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Mr. Barry Jagoda  
The White House  
Washington, D. C. 20500

THE WHITE HOUSE

WASHINGTON

July 31, 1978

*Susan  
you & Terry  
draft reply  
J*

Dear Mr. President:

This is to ask that you accept my resignation as your Special Assistant for Media and Public Affairs, effective October 1, 1978.

Though I will be concentrating on matters that do not require daily Presidential attention, I look forward to continuing our association and friendship.

I have admired your efforts to maintain a frank and candid relationship with the press and the American people. Your strong support for our national cultural life and your awareness of the importance of communications policy have been additional sources of personal and professional satisfaction.

Sincerely,

*Barry*

Barry Jagoda